Indian and Northern Affairs Canada
Affaires indiennes et du Nord Canada

Indian and Northern Affairs Canada and Canadian Polar Commission

Performance Report

For the period ending March 31, 2009

Canada

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Minister's Message

On behalf of Indian and Northern Affairs Canada (INAC) and the Canadian Polar Commission, I am pleased to present the *2008–2009 Departmental Performance Report.*

The results found in this report reflect the real and growing opportunities for Aboriginal and northern people as they take significant steps toward becoming fuller participants in Canada. A critical aspect of our approach over the last year was to target our efforts at emerging opportunities that would leverage partnerships to achieve sustainable, long-term results. This approach took into account the growing complexity of the globalized Canadian economy, the growing sophistication of Aboriginal and northern entrepreneurs, and the tangible economic opportunities inherent in Aboriginal and northern communities and businesses.

In this spirit of practical solutions that produce real results, we made considerable progress addressing comprehensive land-claims and self-government agreements with First Nation communities. These actions help unleash the forces of economic growth and social development not only in First Nation communities but also in neighbouring non-Aboriginal communities.

Canada's Economic Action Plan provided an unprecedented amount of new investment as a means of stimulating the economy in Aboriginal and northern communities. This money is being put to work with dozens of exciting new projects started across the country to build and renovate schools, water and wastewater systems, and housing and to offer new skills and training programs. At the same time, Canada's Economic Action Plan included vital new measures that will protect and secure Canada's sovereignty and create more economic opportunities in the North — measures to support economic development, including investments in infrastructures; measures to increase the stock of social housing; measures to bolster scientific research; and measures to support sound environmental practices.

Our efforts and results over the last year demonstrate forcefully that we are committed to ensuring that Aboriginal people and people living in the North fully share in economic opportunities. We will continue to work closely with provincial and territorial governments and other willing partners to ensure that Canada not only makes it through tough times, but also emerges even stronger than before.

Chuck Strahl
Minister of Indian Affairs and Northern Development
and Federal Interlocutor for Métis and Non-Status Indians

Section I
Departmental Overview

Raison d'être and Responsibilities

Indian and Northern Affairs Canada (INAC) supports Aboriginal people (First Nations, Inuit and Métis) and Northerners in their efforts to:

- improve social well-being and economic prosperity;
- develop healthier, more sustainable communities; and
- participate more fully in Canada's political, social and economic development — to the benefit of all Canadians.

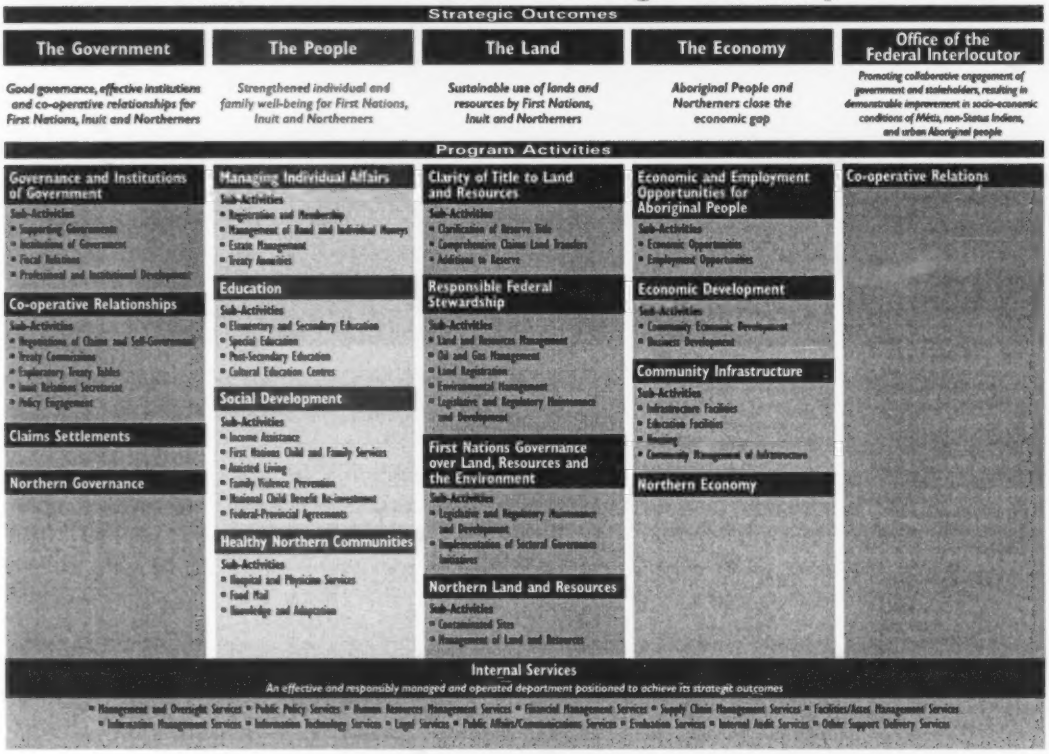
INAC is one of the 34 federal government departments responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit and Métis, and for fulfilling the federal government's constitutional responsibilities in the North. INAC's responsibilities are largely determined by numerous statutes, negotiated agreements and relevant legal decisions. Most of the Department's programs — representing a majority of its spending — are delivered through partnerships with Aboriginal communities and federal–provincial or federal–territorial agreements. INAC also works with urban Aboriginal people, Métis and non-Status Indians (many of whom live in rural areas) through the Office of the Federal Interlocutor. INAC's mandate and wide-ranging responsibilities are shaped by centuries of history, and unique demographic and geographic challenges.

The **Canadian Polar Commission** leads Canada's polar research and strengthens Canada's international reputation as a circumpolar nation by promoting knowledge of the polar regions and their importance to Canada.

Program Activity Architecture

The Program Activity Architecture (PAA) shown below provides an overview of the Department's strategic outcomes and supporting program activities.

Indian and Northern Affairs Canada — Program Activity Architecture



Note: *To provide a clear northern-focused story, the four northern program activities — which are under each of The Government, The People, The Land and The Economy strategic outcomes — are reported as a separate "northern" component in Section II. The four northern program activities differ from the Department's other program activities, which focus on First Nations and on activities south of 60°. The combined northern focus also lays the groundwork for the creation of a Northern Strategic Outcome in the upcoming 2009–2010 PAA structure.*

On June 1, 2008, Indian Residential Schools Resolution Canada (IRSRC) joined INAC, and that organization's performance since that time is included in this report. A detailed report against the IRSRC *Report on Plans and Priorities* commitments is available at: http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/irsrc-eng.asp.

Performance Summary

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Indian and Northern Affairs Canada*					
6,850.3	7,367.8	6,992.7**	4,340.5	4,407.7	67.2
Canadian Polar Commission					
1.0	1.0	1.0	5.0	5.0	—

** Order in Council P.C. 2008-0805 amalgamated and combined Indian Residential Schools Resolution Canada with INAC, effective June 1, 2008. It should be noted that $221 million from the previous organization (covering the 10-month period from June 1, 2008, to March 31, 2009) is included in INAC's 2008–2009 Actual Spending.*

*** Excludes cost of services received without charge of $85.7 million.*

The increase in full-time equivalents (FTEs) from 4,340.5 to 4,407.7 is primarily due to the amalgamation and combination of Indian Residential Schools Resolution Canada with INAC, effective June 1, 2008. INAC's success in achieving its mission is directly tied to the creativity, knowledge, skills, and integrity of its dedicated team of employees.

Explanation of Variances

Variances between Main Estimates, Planned Spending, Total Authorities and Actual Spending are largely attributable to the timing of key elements of the fiscal cycle. The Main Estimates as approved by Parliament in the initial appropriations are the first step in the fiscal cycle. Financial resources for Internal Services are attributed *pro rata* based on total financial resources.

The Planned Spending column includes Main Estimates plus the Planned Spending on those initiatives known at the time that the Report on Plans and Priorities was prepared in the January/February timeframe of the preceding fiscal year. Specifically, the difference between Main Estimates and Planned Spending for 2008–2009 ($583 million) is largely made up of funding earmarked in the fiscal framework for: Justice at Last: The Specific Claims Action Plan to accelerate the resolution of specific claims; Budget 2008 announcements for a new framework for economic development, enhancing education outcomes, expanding child and family services, and for the water and wastewater action plan; and payments to the Quebec Cree to settle implementation issues respecting the James Bay and Northern Quebec Agreement.

The Total Authorities represent Main Estimates plus Supplementary Estimates plus adjustments to authorities approved by Treasury Board, such as the operating budget carry-forward. Specifically, the difference between Planned Spending and Total Authorities for 2008–2009 ($518 million) is largely due to: the transfer of Indian Residential Schools Resolution Canada to INAC; funding provided in Supplementary Estimates for out-of-court settlements, fuel price increases, the Food Mail Program, and health and safety pressures; the carry-forward from previous years of authorities for loans and loan guarantees; operating budget carry-forward; and adjustments for collective bargaining. These increases were offset by reduced requirements in 2008–2009 for the Specific Claims Action Plan to accelerate the resolution of specific claims and payments to the Quebec Cree to settle implementation issues respecting the James Bay and Northern Quebec Agreement.

Actual Spending reflects spending activity during the fiscal year as per the Public Accounts of Canada. The difference between Total Authorities and Actual Spending ($375 million) is due to many factors including reprofiling (e.g., for specific claims, Residential Schools, First Nation Infrastructure Fund, Federal Contaminated Sites Action Plan) and carry-forward of resources (e.g., operating budget carry-forward) from 2008–2009 to 2009–2010 and authorities for loans and loan guarantees that were not used in 2008–2009 but that will be available for use in subsequent years. Additional variance details by program activity are identified in Section II.

Strategic Outcome Summary Table

Indian and Northern Affairs Canada

The Government						
Program Activity	2007–2008 Actual Spending	2008–2009 ($ millions)				Alignment to Government of Canada Outcomes*
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Governance and Institutions of Government	648.2	657.3	658.0	701.7	682.6	A Diverse Society That Promotes Linguistic Duality and Social Inclusion
Co-operative Relationships	201.1	208.7	220.2	272.0	230.8	A Diverse Society That Promotes Linguistic Duality and Social Inclusion
Claims Settlements — Excluding Residential Schools	1,355.6	518.1	836.6	530.1	456.4	Strong Economic Growth
— Residential Schools (after amalgamation with INAC)**	—	—	—	274.9	221.4	
Sub-total (Claims Settlements)	1,355.6	518.1	836.6	805.1	677.8	
Northern Governance	6.2	9.9	14.4	13.7	8.6	A Diverse Society That Promotes Linguistic Duality and Social Inclusion
Total	**2,211.1**	**1,393.9**	**1,729.2**	**1,792.5**	**1,599.8**	

Due to rounding, figures may not add to totals shown.

** For an explanation of the alignment visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lks-eng.asp.*

*** For the 10-month period June 1, 2008, to March 31, 2009.*

The People						
	2007–2008	2008–2009 ($ millions)				
Program Activity	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes*
Managing Individual Affairs	18.9	29.4	30.5	40.6	25.0	A Diverse Society That Promotes Linguistic Duality and Social Inclusion
Education	1,734.7	1,719.4	1,739.4	1,842.0	1,832.0	A Diverse Society That Promotes Linguistic Duality and Social Inclusion
Social Development	1,516.9	1,451.9	1,491.5	1,628.3	1,624.0	A Diverse Society That Promotes Linguistic Duality and Social Inclusion
Healthy Northern Communities	106.5	107.8	109.6	133.0	130.4	Healthy Canadians
Total	**3,377.0**	**3,308.5**	**3,371.0**	**3,643.9**	**3,611.4**	

Due to rounding, figures may not add to totals shown.

** For an explanation of the alignment visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lks-eng.asp.*

The Land						
	2007–2008	2008–2009 ($ millions)				
Program Activity	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes*
Clarity of Title to Land and Resources	10.5	9.5	9.5	12.0	11.3	Strong Economic Growth
Responsible Federal Stewardship	86.7	63.8	63.8	123.2	111.7	A Clean and Healthy Environment
First Nations Governance over Land, Resources and the Environment	15.3	33.9	33.9	34.8	17.5	Strong Economic Growth
Northern Land and Resources	179.8	191.3	192.5	191.6	177.1	Strong Economic Growth
Total	**292.3**	**298.5**	**299.6**	**361.5**	**317.7**	

Due to rounding, figures may not add to totals shown.

** For an explanation of the alignment visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lks-eng.asp.*

The Economy						
	2007–2008	2008–2009 ($ millions)				
Program Activity	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes*
Economic and Employment Opportunities for Aboriginal People	1.2	1.6	1.6	38.6	37.5	Strong Economic Growth
Economic Development	153.0	180.4	225.7	220.8	170.0	Strong Economic Growth
Community Infrastructure	1,225.9	1,031.5	1,169.5	1,226.5	1,187.3	Strong Economic Growth
Northern Economy	23.7	24.0	24.5	40.7	26.1	Strong Economic Growth
Total	**1,403.8**	**1,237.6**	**1,421.4**	**1,526.7**	**1,420.8**	

Due to rounding, figures may not add to totals shown.

** For an explanation of the alignment visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lks-eng.asp.*

Office of the Federal Interlocutor						
	2007–2008	2008–2009 ($ millions)				
Program Activity	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes*
Co-operative Relations	37.7	29.0	29.0	43.2	43.1	A Diverse Society that Promotes Linguistic Duality and Social Inclusion
Total	**37.7**	**29.0**	**29.0**	**43.2**	**43.1**	

** For an explanation of the alignment visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lks-eng.asp.*

Canadian Polar Commission

Increased Canadian Polar Knowledge						
	2007–2008	2008–2009 ($ millions)				
Program Activity	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes*
Research Facilitation and Communication	1.0	1.0	1.0	1.0	1.0	A Clean and Healthy Environment
Total	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	

** For an explanation of the alignment visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lks-eng.asp.*

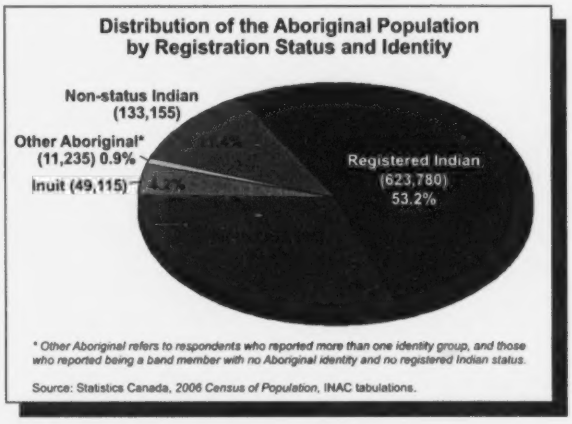
Progress and Highlights

Contributions of Priorities to Strategic Outcomes

Operational Priorities				
Priorities	**Type**	**Status**	**Progress Made**	**Linkage to Strategic Outcomes**
Education	Ongoing	Successfully met	Launched two new programs: First Nation Student Success Program and Education Partnerships Program Established a tripartite education partnership in New Brunswick through the signing of a Memorandum of Understanding on April 22, 2008	The People: Education
Water	Ongoing	Successfully met	First Nations Water and Wastewater Action Plan provided an additional $330 million over two years to support First Nations in providing access to safe drinking water on reserves. Developed new policy and standards for decentralized water and wastewater systems to be implemented in 2009	The Economy: Community Infrastructure
Protecting the Vulnerable	Ongoing	Successfully met	Supported preconstruction activities for five new shelters Saskatchewan and Nova Scotia approved INAC's Enhanced Prevention-focused Approach for First Nations Child and Family Services.	The People: Social Development
Economic Development Engagements	New	Successfully met	Completed external engagement strategy to support the development of the new Federal Framework for Aboriginal Economic Development in January 2009	The Economy: Economic Development
Consultation and Accommodation	Ongoing	Successfully met	Approximately 800 federal officials trained on the *Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult;* interdepartmental team established and meets monthly, includes identification of common risks, challenges and policy issues; national engagement with First Nation, Métis and Inuit communities and organizations; federal–provincial–territorial meetings (2008 and 2009) and bilateral discussions with provinces and territories; meetings with industry; and development of repository, including analysis of business requirements and development of business case, project charter and project plan	The Government: Co-operative Relationships
Legislative Initiatives				
Section 67	Ongoing	Successfully met	On June 18, 2008, Bill C-21, which repeals section 67 of the *Canadian Human Rights Act,* received Royal Assent	The People: Managing Individual Affairs
Matrimonial Real Property Bill		Mostly met Parliamentary processes delayed the legislation	Matrimonial Real Property Bill reintroduced in Parliament as Bill C-8 in February 2009	
Indian Oil and Gas Act			Legislative phase of the modernization of the *Indian Oil and Gas Act* received Royal Assent May 14, 2009	The Land: Responsible Federal Stewardship

Management Priorities				
Priorities	Type	Status	Progress Made	Linkage to Strategic Outcomes
Blue Ribbon Panel	Ongoing	Successfully met	Undertook activities and analysis to develop an implementation plan that considers departmental policy, management control framework, procedural and technical impacts of implementing the new policy, and activities to reform the administration of grants and contributions	Internal Services
Human Resources Recruitment	Ongoing	Mostly met	As part of the National Recruitment Strategy, participated in 15 post-secondary school career fairs in 22 academic institutions and met with over 1,500 students; INAC hired 95 post-secondary recruits, out of the 96 post-secondary recruitment target established by the Clerk of the Privy Council	Internal Services
Implementation of the Centre for Integrity, Values and Conflict Resolution	Ongoing	Successfully met	The Centre provided a wide range of conflict resolution services to a growing number of INAC employees	Internal Services

Operating Environment


Distribution of the Aboriginal Population by Registration Status and Identity
Non-status Indian (133,155)
Other Aboriginal* (11,235) 0.9%
Inuit (49,115)
Registered Indian (623,780) 53.2%
* Other Aboriginal refers to respondents who reported more than one identity group, and those who reported being a band member with no Aboriginal identity and no registered Indian status.
Source: Statistics Canada, 2006 Census of Population, INAC tabulations.

INAC delivers programs and services to diverse groups of people — First Nations, Inuit, Métis and Northerners — who have distinct priorities and needs. The Department delivers these programs and services to diverse locations throughout the country, including remote communities with extreme climates, as well as urban areas. Over 60 percent of the Department's spending is committed to providing First Nations with access to provincial-type services, including education, social services and community infrastructure. Because most of INAC's services are delivered through partnerships, such as with Aboriginal communities, the provinces and the territories, the third-party nature of this service delivery can pose challenges for results reporting.

Challenges and Risks

INAC's responsibilities are shaped not just by unique demographic and geographic challenges, but also by centuries of Canadian history. At the same time, the nation's changing social, economic and political landscape strongly influences INAC's priorities, performance and delivery of services. See http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/dem-eng.asp for demographic information.

A major factor in Canada's changing demographic landscape is the growing Aboriginal population, which is young and increasing twice as fast as the Canadian population overall. While this growth brings the challenge of ever-increasing demands for services, it also presents an unprecedented opportunity for capable, educated Aboriginal youth to fill crucial labour shortages in the future. In addition, an integrated set of plans, policies and programs is required to foster and build on the economic advances resulting from the increasing employment opportunities and wealth being created by Aboriginal businesses and communities.

Added to these challenges is the fact that Aboriginal people in Canada continue to have lower levels of education, poorer health and quality of life, and higher levels of unemployment than other Canadians. Bridging these social and economic gaps is a pressing requirement, but will nevertheless take time to resolve.

Supreme Court rulings on Aboriginal and treaty rights also continue to have a major impact on INAC's mandate and the way the Department works to fulfil the Crown's legal obligations.

INAC's challenges in the North are to support the region's outstanding resource and revenue-producing potential, while respecting the principles of sustainable development and protecting the environment, particularly in light of climate change impacts and adaptation.

Risk Analysis

In managing risk related to all these challenges, INAC aims to strengthen organizational resilience, reinforce management excellence and, ultimately, enhance program results and reduce the need for crisis management. The Corporate Risk Profile and other risk assessments undertaken in 2008–2009 have led to improved management of the Department's most significant risks, including those associated with implementation; information for decision making; program alignment; legal decisions; human resources capacity and capabilities; Aboriginal relationships; government partnerships; and management practices.

In 2008–2009, INAC implemented a formal risk management and oversight regime to identify, monitor and manage risks that could compromise the achievement of the Department's strategic outcomes. The regime includes frequent risk assessment, the integration of risk information with departmental planning, resource allocation and reporting processes, and regular reporting of risk exposures to senior executives. Together, these regime components ensure that INAC managers and senior executives monitor significant risks regularly and have the information necessary to make timely and informed decisions.

Progress on INAC's Policies, Programs and Organizational Capacity

In 2008–2009, INAC introduced two new programs in the priority area of education: the First Nation Student Success Program and the Education Partnerships Program, which are both part of the Reforming First Nation Education Initiative. In the priority area of housing, the Department accessed its $1.4-million Special Initiatives Fund to develop eight innovative housing projects, including supporting the design of a mortgage support program for home ownership and market housing. INAC also continued to develop legislative frameworks to empower First Nations to make their own decisions on resource management and community and economic development. These frameworks include enabling legislation for commercial and industrial development on

reserves, and the near-completion of the legislative phase of the modernization of the *Indian Oil and Gas Act* (available on the Justice Canada website at http://laws.justice.gc.ca/en/showtdm/cs/I-7). In addition, INAC's Enhanced Prevention-focused Approach for First Nations Child and Family Services was approved in Saskatchewan and Nova Scotia, and was implemented in most agencies in these provinces over 2008–2009. The Matrimonial Real Property Bill, which aims to protect the property rights of First Nation women and children on reserves, was reintroduced in Parliament as Bill C-8 in February 2009. INAC also continued to work on reforming the Income Assistance Program, including expanding its pre-employment measures.

Emphasis on Partnerships

In collaboration with its partners, the Department converted 93,888 hectares (232,000 acres) to reserve land status and completed 20 land designations for First Nations to lease to third parties, including for the development of oil and gas. INAC also improved key claim negotiating processes, including the creation in October 2008 of the independent tribunal central to the government's new approach to improve and speed up the resolution of specific claims nationwide. The Department undertook many activities in support of the Federal Action Plan on Aboriginal Consultation and Accommodation (http://www.ainc-inac.gc.ca/ai/mr/is/acp/acp-eng.pdf), and began the process for the enhancement of the Treaty Obligations Monitoring System to improve the implementation of modern treaties and ensure that Canada honours all its obligations as set out in final land claims and self-government agreements.

The Inuit Relations Secretariat (IRS) worked with Inuit on developing research agenda items to support federal policy development, and on the Inuit Knowledge Project, which involves building a single storehouse of Inuit-related research and information. IRS also supported several youth projects, including: summer science camps in Nunavut; Inuit youth participation in the International Polar Year's Students on Ice initiative; and funding to bring the Youth Media Team's suicide prevention workshops to the Inuvialuit and Nunatsiavut regions. In addition, IRS was one of the Inuit education stakeholders that worked together after the April 2008 National Inuit Education Summit to develop an Inuit Education Accord aimed at developing a National Inuit Education Strategy.

Implementation of the Northern Strategy

In partnership with other federal departments and stakeholders, INAC continued to lead the implementation of Canada's integrated Northern Strategy and its ongoing evolution in response to emerging challenges, such as the global economic downturn and the impacts of climate change in the North. INAC and its partners provided ongoing oversight of the implementation of commitments under the strategy's four pillars. These commitments included the Geo-mapping for Energy and Minerals Program and surveying the Arctic seabed to support Canada's claims under the United Nations Convention on the Law of the Sea. INAC acted quickly to implement the new northern investments announced in Canada's Economic Action Plan (Budget 2009: http://www.actionplan.gc.ca/eng/index.asp), specifically, the Arctic Research Infrastructure Fund; a feasibility study for Canada's new High Arctic Research Station; a new economic development agency for the North; renewal of the Strategic Investments in Northern Economic Development program; the Community Adjustment Fund (northern component); and the Recreational Infrastructure Canada program (northern component).

Focus on Sustainable Development and Environmental Stewardship

Responding to infrastructure challenges for First Nations, INAC invested $94.5 million in projects including energy systems and solid waste management. INAC and Health Canada also launched the First Nations Water and Wastewater Action Plan, providing an additional $330 million over two years to support access to safe drinking water on reserves. Under the ecoENERGY for Aboriginal and Northern Communities Program and the Climate Change Adaptation Program, the Department was able to support 46 energy and adaptation projects in Aboriginal and northern communities through a $3.9-million investment. In the area of resource management, four new First Nations began operating under the *First Nations Land Management Act* (http://laws.justice.gc.ca/en/F-11.8/index.html). INAC's Environmental Performance Framework established a monitoring and reporting mechanism. Under the Northern Regulatory Improvement Initiative, the Department continued to improve environmental assessment processes in the North. In addition, the Northern Contaminated Sites Program completed the remediation of five sites, generating more than 40,000 person-days of employment, most of which went to northern Aboriginal people.

Expenditure Profile

INAC's Actual Spending for 2008–2009 was $7.0 billion. Overall, departmental spending increased by about $0.9 billion or 14 percent over the past two years. This increase is primarily due to:

- transfer of responsibility for Indian Residential Schools Resolution Canada to Indian and Northern Affairs Canada;
- incremental funding to meet the demand for ongoing First Nation and Inuit programs and services (2-percent allowance for inflation and population growth);
- funding provided in federal budgets 2006 and 2008 for education; protecting and supporting Aboriginal women, children and families; water and wastewater; school construction; and economic development;
- increase in funding provided for out-of-court settlements;
- increase in funding for the settlement of specific claims;
- a reduction reflecting the sunset of Budget 2003 funding provided for the First Nations Water Management Strategy; and
- a reduction reflecting the sunset of Budget 2005 funding provided for the renovation and construction of housing units on reserves and the creation and servicing of building lots.

Planned spending will increase from 2008–2009 to 2009–2010 primarily due to:

- funding provided in Budget 2009 for First Nation housing and infrastructure, strengthening economic development in the North and Arctic research infrastructure;
- incremental funding for the implementation of the Specific Claims Action Plan to accelerate the resolution of specific claims;
- payment to the Quebec Cree to settle implementation issues respecting the James Bay and Northern Quebec Agreement and related litigation;
- incremental funding to meet the demand for ongoing First Nation and Inuit programs and services (2-percent allowance for inflation and population growth); and
- funding provided in Budget 2008 for education and economic development.

Planned spending over the period from 2009–2010 to 2011–2012 diminishes mainly because of reductions related to the sunset of targeted funding for:

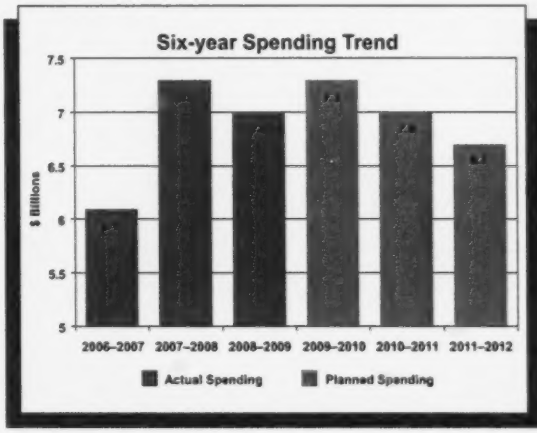
- payment to the Quebec Cree to settle implementation issues respecting the James Bay and Northern Quebec Agreement and related litigation;
- First Nations Water and Wastewater Action Plan (Budget 2008);
- Federal Contaminated Sites Action Plan (Budget 2004); and
- Budget 2009 initiatives that do not extend beyond 2010–2011.

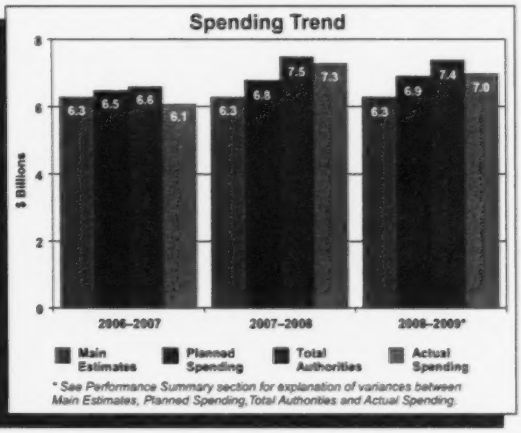
The six-year spending trend chart illustrates the Department's spending over a six-year period (three-year Actual Spending and three-year Planned Spending).

The Expenditure Profile shows significant variation over the time horizon due to a number of key factors, including:

- large single-payment claims settlements;
- changes in the funding profile of various specific-purpose (targeted) initiatives; and
- termination (sunsetting) of time-limited initiatives.

The spending trend chart illustrates the Department's Main Estimates, Planned Spending, Total Authorities and Actual Spending for the last three years of actuals.





Voted and Statutory Items

Vote # or Statutory Items	Truncated Vote or Statutory Wording	2006–2007 Actual Spending	2007–2008 Actual Spending	2008–2009 Main Estimates	2008–2009 Actual Spending
Indian and Northern Affairs Canada			($ millions)		
1	Operating expenditures	649.9	671.4	665.4	1,108.4
5	Capital expenditures	7.6	0.8	22.7	0.8
10	Grants and contributions	5,124.1	6,330.8	5,314.9	5,571.8
15	Payments to Canada Post Corporation	39.3	44.0	27.6	56.1
20	Office of the Federal Interlocutor for Métis and non-Status Indians — Operating expenditures	7.4	7.5	5.3	9.3
25	Office of the Federal Interlocutor for Métis and non-Status Indians — Contributions	29.2	27.1	21.4	30.3
(S)	Minister of Indian Affairs and Northern Development — Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Grassy Narrows and Islington Bands Mercury Disability Board	—	—	—	—
(S)	Liabilities in respect of loan guarantees made to Indians for Housing and Economic Development	0.2	0.1	2.0	1.3
(S)	Indian Annuities Treaty payments	1.8	1.4	1.4	1.9
(S)	Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claims Settlement Acts	137.6	89.0	74.3	54.0
(S)	Grant to the Nunatsiavut Government for the implementation of the Labrador Inuit Land Claims Agreement pursuant to the *Labrador Inuit Land Claims Agreement Act*	35.9	39.0	18.0	39.0
(S)	Payments to comprehensive claim beneficiaries in compensation for resource royalties	1.9	3.3	1.5	7.4
(S)	Contributions to employee benefit plans	48.9	52.1	52.4	55.7
(S)	Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian economic development account	0.1	—	—	—
(S)	Court awards	1.6	0.3	—	2.3
(S)	Refunds of amounts credited to revenues in previous years	0.5	0.4	—	0.6
(S)	Spending of proceeds from the disposal of surplus Crown assets	—	1.3	—	0.2
	Total budgetary	6,086.2	7,268.7	6,207.0	6,938.9
L20	Loans and guarantees of loans through the Indian economic development account	—	—	—	—
L30	Loans to native claimants	16.5	27.1	25.9	26.1
L35	Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission Process	28.3	26.0	34.6	27.7
	Total non-budgetary	44.8	53.1	60.5	53.8
	Total Department	**6,131.1**	**7,321.8**	**6,267.5**	**6,992.7**

Vote # or Statutory Items	Truncated Vote or Statutory Wording	2006–2007 Actual Spending	2007–2008 Actual Spending	2008–2009 Main Estimates	2008–2009 Actual Spending
Canadian Polar Commission			($ millions)		
40	Program expenditures	0.9	0.9	0.9	0.9
(S)	Contributions to employee benefit plans	0.1	0.1	0.1	0.1
	Total Agency	**1.0**	**1.0**	**1.0**	**1.0**

Due to rounding, figures may not add to totals shown.

INAC — Explanation of Trend — 2007–2008 to 2008–2009

The decrease of approximately $329 million in Actual Spending from 2007–2008 to 2008–2009 primarily reflects: a reduction reflecting a one-time payment in 2007–2008 to the Quebec Cree to settle implementation issues for the James Bay and Northern Quebec Agreement as per the approved funding profile (-$1.1 billion); a reduction reflecting the sunset of Budget 2003 funding provided for the First Nations Water Management Strategy (-$108 million); an increase for the transfer of Indian Residential Schools Resolution Canada to INAC (+$221 million); an increase in funding for the settlement of specific claims (+$116 million); an increase in funding provided in Budget 2008 for education, water and wastewater, economic development, and child and family services (+$181 million); an increase in funding provided in Supplementary Estimates for out-of-court settlements (+$167 million); and incremental funding to meet the demand for ongoing First Nation and Inuit programs and services — 2-percent allowance for inflation and population growth (+$91 million).

Section II
Analysis of Program Activities by Strategic Outcomes

Strategic Outcome: The Government

The Government strategic outcome is good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners. Through this strategic outcome, and its three program activities — Governance and Institutions of Government; Co-operative Relationships; and Claims Settlements — INAC strives to support Aboriginal people and Northerners in their efforts to participate more fully in Canada's political, social and economic development. So that First Nation governments and Inuit communities may assume greater responsibility for their own affairs, INAC works with them to transfer administrative authority for the delivery of most programs and services, and to negotiate self-government agreements that expand law-making and political powers and establish new fiscal and political relationships. In addition, intergovernmental and treaty relationships provide a basis for the resolution of long-standing claims and disputes, as well as for improved co-operation among governments and communities in Canada.

The Government strategic outcome supports the Government of Canada's A Diverse Society That Promotes Linguistic Duality and Social Inclusion and Strong Economic Growth outcomes.

As demonstrated in the program activities performance analysis, INAC delivered the results it set out to achieve in 2008–2009 for The Government strategic outcome.

Benefits to Canadians

Strong, capable and effective First Nation governance systems and institutions serve as the necessary foundation for community socio-economic development, overall community well-being, and effective self-government practices. Fostering good governance also promotes accountability of First Nation governments by supporting the development of stable and effective administrative and political systems. Settling land claims and finalizing self-government agreements supports the inherent right to self government (http://www.ainc-inac.gc.ca/al/ldc/ccl/pubs/sg/sg-eng.asp) and improves socio-economic conditions for First Nation communities and their members so that they can make even greater contributions to Canada's society and economy.

Lessons Learned

In May 2008, the Senate Standing Committee on Aboriginal Peoples released its interim report *Honouring the Spirit of Modern Treaties: Closing the Loopholes*, which examined the implementation of comprehensive land claims agreements. The committee report echoed the criticisms of prior Auditor General reports that INAC needs to do a better job of co-ordinating across all federal departments to ensure that obligations set out in modern treaties are respected and fulfilled. The Department has been working on identifying remedial measures, such as improving the tracking system for monitoring and reporting on federal obligations.

The federal government as a whole is responsible for ensuring the fulfilment of all consultation obligations, and accommodation obligations where appropriate. In implementing the Federal Action Plan on Aboriginal Consultation and Accommodation, several issues relating to the legal duty to consult emerged as challenges. These included co-ordination of processes, monitoring of

policies and timeliness of decision making. Key federal departments and agencies established an interdepartmental team to discuss Aboriginal consultation and accommodation issues throughout the federal government. Departments and agencies have begun working together to ensure greater predictability, certainty and transparency on when and how to consult and accommodate Aboriginal groups.

Program Activity: Governance and Institutions of Government

Fostering stronger governance and institutions of government through supporting legislative initiatives, programs and policies, and administrative mechanisms that foster stable, legitimate and effective First Nations and Inuit governments that are culturally relevant, provide efficient delivery of services and are accountable to their citizens.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
658.0	701.7	682.6	330.4	305.2	(25.2)

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to the attribution of Internal Services. The difference between Total Authorities and Actual Spending relates primarily to reduced spending for First Nation government support and self-government agreements.

Performance Analysis

In 2008–2009, INAC successfully implemented the Basic Organizational Capacity Program, which enables the Department to provide core funding to Aboriginal organizations. Core funding was provided to some 50 national and regional Aboriginal organizations representing First Nations, Métis, Inuit and non-Status Indians. Funding contributed to keeping the organization operating, maintaining a governance structure, holding an annual general assembly, and have enough staff to maintain a dialogue with governments and engage in more specific policy and program initiatives, when required. Funds provided through this program support capacity development for the First Nations.

In February 2009, the departmental Audit and Evaluation Committee approved an evaluation and management action plan for Basic Organizational Capacity (BOC) Funding and Consultation and Policy Development (CPD), which is currently being implemented. The evaluation recommended that BOC performance monitoring be improved to encourage Aboriginal organizations to conduct effectiveness reviews and to diversify their funding sources. The evaluation recommendations with respect to CPD included making the funding more sustainable, focusing on fewer recipients and ensuring that subject-specific consultations have clear objectives about whom they intend to reach. The report also makes recommendations regarding the synergy between CPD and BOC.

In addition, the Department's assessment of election appeals over 2008–2009 demonstrated that community members have a legitimate process to challenge election results. The number of

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/gov-eng.asp.*

election appeals increased 7 percent from 2007–2008 to 2008–2009, demonstrating that First Nation people are holding their leadership accountable. This demand for accountability in turn increases the credibility and legitimacy of First Nation leadership to govern within the community, and to meet expected results regarding elections and law-making related to statutory and regulatory obligations under the *Indian Act* (http://laws.justice.gc.ca/en/showtdm/cs/I-5).

Currently, the federal government implements 1,217 federal obligations across 21 comprehensive claims agreements. About half of these obligations are the responsibility of INAC while the rest are spread across other federal departments. Through the recent work undertaken to enhance the federal obligation tracking system, the Department will be better positioned to monitor the federal obligations arising from those land claims agreements. Meeting those obligations will support First Nation and Inuit communities in implementing strong, effective and sustainable governments over the longer term.

Program Activity: Co-operative Relationships

Building co-operative and productive intergovernmental and treaty relationships with First Nations and Inuit to optimize the pursuit and attainment of shared objectives; the reconciliation of Aboriginal and other interests through researching, assessing, negotiating and implementing claims and self-government agreements; the furthering of common understanding regarding the historic treaty relationship; and developing legislative and administrative arrangements that reflect evolving governance capacities and relations.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
220.2	272.0	230.8	481.5	482.0	0.5

Full-time equivalents and financial resources for Internal Services are attributed pro rata *based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to additional funding to provide continued support to resolve comprehensive land claims negotiations and to implement the Specific Claims Action Plan. The difference between Total Authorities and Actual Spending primarily reflects funding for Treaty-Related Measures and the Surplus Federal Real Property Initiative that was not required in 2008–2009 and has been reprofiled to 2009–2010 (when it will be required for various land acquisitions), as well as reduced loan requirements for First Nations.*

Performance Analysis

Much progress has been achieved since the government's June 2007 announcement of Justice at Last: the Specific Claim Action Plan (http://www.ainc-inac.gc.ca/al/ldc/spc/pubs/pamp/pamp-eng.asp) to improve and accelerate the resolution of specific claims, thereby supporting co-operative relationships. The progress includes the coming into force of the *Specific Claims Tribunal Act* on October 16, 2008. This legislation creates an independent Tribunal that can make binding decisions and provides that the governnment will have three years to assess claims, and if accepted, three years to negotiate a settlement. A First Nation can take their claim to the Tribunal if the government fails to meet these timelines.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/gov-eng.asp.*

The strength of the Department's co-operative relationships was demonstrated by various agreements and understandings achieved throughout the year. On July 10, 2008, the newest negotiated modern treaty, the Nunavik Inuit Land Claims Agreement (http://www.ainc-inac.gc.ca/al/ldc/ccl/fagr/qc-eng.asp) took effect, settling a long-standing claim following productive negotiations. The agreement creates significant economic opportunity for the Nunavik Inuit, in Northern Quebec, and aims to provide clarity over rights to ownership and use of lands and resources.

Monitoring and Reporting

To demonstrate its progress to Canadians and parliamentarians, INAC published 11 annual reports (http://www.ainc-inac.gc.ca/al/ldc/ccl/fagr/index-eng.asp), together with other parties to agreements, detailing activities related to their implementation. The Department began identifying a process for the enhancement of the existing system to support the monitoring and reporting on these federal obligations.

Throughout the year, INAC continued to promote the development and use of policies, programs and legislation responsive to the needs of First Nations, Inuit, Métis and Northerners. For example, Canada participated at a Common Table with First Nations and the Province of British Columbia to identify obstacles to progress in the B.C. Treaty process, and associated new tools and processes, including options for addressing section 35 rights (Part II of the *Constitution Act, 1982*).

In the implementation of the Federal Action Plan on Aboriginal Consultation and Accommodation (http://www.ainc-inac.gc.ca/ai/mr/is/acp/acp-eng.pdf), INAC supported sustainable processes and practices to increase operational efficiency and consistency and to foster reconciliation. As a result, federal departments and agencies are better positioned to discharge their obligations on consultation and accommodation.

INAC completed the *Impact Evaluation of Comprehensive Land Claim Agreements* in February 2009 (http://www.ainc-inac.gc.ca/ai/arp/aev/pubs/ev/clca/clca-eng.asp). The evaluation's key findings were that these agreements have created certainty and clarity regarding land ownership, and made a major contribution to transforming Aboriginal people's role in the economy by supporting the development of Aboriginal infrastructure and Aboriginal business development. The evaluation recommendations and action plan address issues related to the federal approach to implementing such agreements, the need for increased training and business development, and a strengthened consultative process.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/gov-eng.asp.*

Program Activity: Claims Settlements

Payments for the settlement of special, specific and comprehensive claims which were successfully concluded through a negotiation process, and approved compensation and funding as per the Indian Residential Schools Settlement Agreement.

	2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Excluding Residential Schools	836.6	530.1	456.4	206	237	(31)
Residential Schools (after amalgamation with INAC)*	—	274.9	221.4		463	(463)
Total	836.6	805.1	677.8	206	700	(494)

Due to rounding, figures may not add to totals shown.

** For 10-month period June 1, 2008 to March 31, 2009.*

Full-time equivalents and financial resources for Internal Services are attributed pro rata *based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to the transfer of funding for the amalgamation of Indian Residential Schools Resolution Canada with INAC, as well as funding for the Specific Claims Action Plan and the Quebec Cree (to settle implementation issues related to the James Bay and Northern Quebec Agreement), which was included in Planned Spending but not required in 2008–2009. The difference between Total Authorities and Actual Spending primarily reflects funding for specific claims for which negotiations were not concluded during the fiscal year, as well as funding for the Residential Schools Settlement Allotment and Commemoration initiatives, which was not required. Funding that was not required in 2008–2009 will be reprofiled to 2009–2010 and future years, when it will be available for the intended purposes.*

Performance Analysis

The specific claims active inventory as of March 31, 2008, comprised 606 claims under assessment and 131 claims under negotiation, for a total of 737 claims. At March 31, 2009, the inventory stood at 525 claims under assessment and 128 claims in negotiation, for a total of 653 claims. The backlog was reduced by 118 claims during 2008–2009: negotiation settled 19 claims; 22 claims were not accepted for negotiation on the basis that the claims did not give rise to any lawful obligations; and 77 claim files were closed, for example, because the claim did not fall within the scope of the Specific Claims Policy, a First Nation decided to withdraw its claim, or the claim was referred for administrative remedy.

Payments made to First Nations related to the settlement of the 19 claims amounted to almost $188 million. These settlements contribute to improved First Nation governance, which serves as a foundation for socio-economic development. The settlements also avoid the lengthy process and extensive resources associated with litigation, while strengthening relationships between Aboriginal and non-Aboriginal people in Canada.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/gov-eng.asp.*

Lessons Learned

Financial planning related to claims settlement payments is challenging, in part because predicting the completion date for settlement negotiations can be difficult. However, the Specific Claims Action Plan establishes a process and negotiating period for specific claims, which will help INAC in its financial planning in this area.

Claim Settlements: Residential Schools

Indian Residential Schools Resolution Canada (IRSRC) joined INAC on June 1, 2008. This section summarizes the report of its activities under INAC from June 2008 to March 31, 2009. A detailed report against the IRSRC *Report on Plans and Priorities* commitments is available at: http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/irsrc-eng.asp.

Performance Analysis

When INAC absorbed the former IRSRC on June 1, 2008, the Department created a new sector: the Resolution and Individual Affairs Sector (RIAS). This reporting period covers the second year of implementation of the historic Indian Residential Schools Settlement Agreement, in which INAC contributed significantly to addressing the Indian residential schools legacy, for example:

- as of March 19, 2008, the settlement agreement was implemented and applications began to be accepted for all aspects of the agreement;
- on June 11, 2008, the Prime Minister offered a Statement of Apology in a special session of the House of Commons;
- by September 19, 2008, the first anniversary of the Settlement Agreement, a majority of the Common Experience Payment (CEP) payments and all of the advance payments ($82.6 million) had been made to former students, for a total of nearly $1.5 billion paid from the Trust Fund; and
- as of March 31, 2009, RIAS had received 97,792 CEP applications.

The rate of participation for all components of the Settlement Agreement exceeded original estimates, which clearly demonstrates the desire and need within the Aboriginal community for resolution and healing.

The decision by the courts to introduce the reconsideration and appeal process for CEP during the first year of implementation helped to ensure that the decision for each applicant is accurate and appropriate and that the federal government was meeting its obligations as administrator of the Settlement Agreement. The addition of these steps in the process strained capacity and temporarily slowed the pace of delivery as INAC took steps to respond. After developing new processes and procedures, INAC ensured that more streamlined and client-focused mechanisms were in place to handle all claims.

The unexpected resignation in October 2008 of the Chair of the Truth and Reconciliation Commission, and the subsequent resignation of the other two Commissioners, posed challenges for the Commemoration component of the Settlement Agreement. To help minimize the impact, INAC provided interim support to the Commission to ensure that responsibilities were carried out until a new Chair and Commissioners were appointed.

Strategic Outcome: The People

The People strategic outcome is strengthened individual and family well-being for First Nations, Inuit and Northerners. Through this strategic outcome, and its three program activities — managing individual affairs, education and social development — INAC strives to promote access to a range and level of services in education and social development that is reasonably comparable to those accessible to Canadians living off reserves. These efforts support legal, constitutional and statutory responsibilities under the *Indian Act*. At the same time, activities under this strategic outcome also support further First Nations' and Inuit control, and eventual jurisdiction, over the policies, programs and services that most directly affect individual and family well-being.

The People strategic outcome supports the Government of Canada's A Diverse Society That Supports Linguistic Duality and Social Inclusion outcome.

As demonstrated in the program activities performance analysis, INAC delivered most of the results it set out to achieve in 2008–2009 for The People strategic outcome.

Benefits for Canadians

Canada's economic and social well-being benefits from strong, self-reliant Aboriginal communities. Enhancing First Nations' capacity to manage their individual affairs, such as band membership, registration and estates, helps foster good government and accountability. This in turn increases investors' confidence, supports economic partnerships and improves living conditions in First Nation communities. Improving educational attainment of First Nation and Inuit students will enable First Nation and Inuit Canadians to enhance their quality of life, acquire skills needed to address labour market shortages and contribute to Canada's productivity. Effective social services in First Nation communities support individual and family self-sufficiency, safety and security.

Lessons Learned

In striving to improve educational outcomes for First Nation students on reserves and for Inuit students, INAC took note of the important relationships that exist between federal, provincial–territorial, and First Nation and Inuit partners, as well as the fact that all partners, including parents and students, have a role to play. Partners share the understanding that collaborative efforts are essential for making meaningful progress in outcomes. The Department incorporated these principles in the successful implementation of INAC's two new education programs, and in the effective management of existing program funding. These principles are reflected in INAC's recognition of the expertise that all partners bring to the table, and of the role First Nations play in delivering education programs and services on reserves.

Program Activity: Managing Individual Affairs

Professionally managing individual First Nations' affairs to ensure that the Minister's responsibilities under the Indian Act *for trust funds, membership and estates are properly exercised.*

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
30.5	40.6	25.0	98.3	130.6	32.3

Full-time equivalents and financial resources for Internal Services are attributed pro rata *based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to the attribution of Internal Services. The difference between Total Authorities and Actual Spending primarily reflects project implementation activities for the secure Certificate of Indian Status related to increased security requirements and modifications to the procurement strategy, as well as a decrease related to the attribution of Internal Services. Funding that was not required in 2008–2009 has been reprofiled to 2009–2010, when it will be available for the intended purpose.*

Performance Analysis

In 2008–2009, INAC made concrete advances in modernizing service delivery and policies to strengthen front-line operations related to this program activity. These initiatives included the development of a multi-year strategy to address the outstanding applications for registration under the *Indian Act,* a training module for First Nation estate administrators, and continued work on the national implementation of the secure Certificate of Indian Status, including staff training in the areas of card issuance, fraud detection and security.

The Department continued with the successful implementation of the *First Nations Oil and Gas and Moneys Management Act* (http://laws.justice.gc.ca/en/showtdm/cs/F-11.9) to enable as many interested First Nations as possible to assume control over their oil and gas revenue. Three eligible First Nations were provided with funding to assist them in opting into the Act.

With the introduction of Bill C-8, the *Family Homes on Reserve and Matrimonial Interests or Rights Act* — which provides legal protection to both members of a common law or marital relationship in the event of a breakdown of their marriage, divorce or death — the government took decisive action to provide women, children and families living on reserves basic rights and remedies equivalent to Canadians' basic rights and remedies. The bill is awaiting continuation of debate at second reading.

On June 18, 2008, after a concerted effort by the government, Aboriginal groups, individuals and Parliamentarians, Bill C-21 received Royal Assent. Bill C-21 repeals section 67 of the *Canadian Human Rights Act* (http://laws.justice.gc.ca/en/showtdm/cs/H-6), giving First Nation people living on reserves full access to human rights protections under the *Canadian Human Rights Act*. The repeal of section 67 closed a major legislative gap that had existed for 30 years.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities *for 2008–2009, please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/peo-eng.asp.*

Program Activity: Education

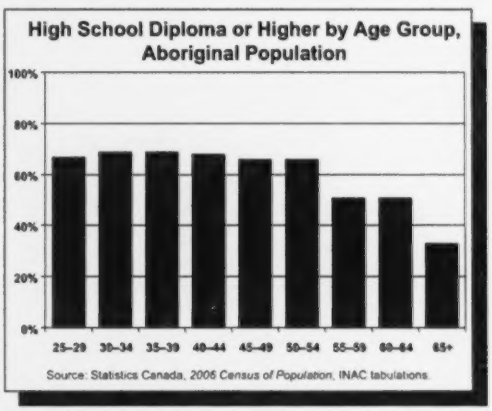
Supports the provision of: elementary/secondary education services consistent with provincial programs and standards, contributing to increased levels of educational attainment and improved employability for First Nations and Inuit students; special education directed to improve the quality of education and level of support services for eligible students with special needs that are reasonably comparable with provincial levels of support services; and financial support for Status Indians to participate in post-secondary education studies to increase levels of participation, achievements and employability.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,739.4	1,842.0	1,832.0	863.8	833.6	(30.2)

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to an increase for the attribution of Internal Services and the reallocation of resources, primarily from community infrastructure, to meet increased demand for education programs and services. The difference between Total Authorities and Actual Spending primarily reflects reduced provincial education billings.

Performance Analysis

Educational attainment is improving among younger generations of Aboriginal people. The proportion of the Aboriginal population aged 25–44 with at least a high school diploma is 68 percent, about two times higher than for those aged 65 years and over (33 percent). For more education statistics, see http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/dem-eng.asp.



In 2008–2009, INAC continued to provide funding for First Nation and Inuit organizations to deliver an array of education programs and services. To contribute to improved educational attainment of First Nation students, in December 2008 the Department launched two new programs: the First Nation Student Success Program and the Education Partnerships Program. First Nations prepared proposals for the First Nation Student Success Program to help schools develop success plans focusing on the priority areas of literacy, numeracy and student retention; conduct student assessments; and put in place performance management systems to monitor and report on school and student progress. First Nations also prepared proposals for the Education Partnerships Program to improve First Nation student achievement, in both First Nation and provincial schools, through more collaborative approaches involving

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/peo-eng.asp.*

First Nations, provinces and INAC. At the end of 2008–2009, INAC was assessing more than 60 proposals submitted by First Nations.

In keeping with INAC's commitment to strengthen partnerships with First Nations and provinces, in April 2008 the Department, First Nations and the Province of New Brunswick signed a Memorandum of Understanding on achieving quality education for First Nation students in band-operated and provincial schools. INAC supported joint partnership activities in British Columbia, Manitoba and New Brunswick that focused on helping First Nation students to succeed. INAC worked with partners in Manitoba on piloting innovative approaches that will help First Nation youth participate fully in the workforce.

In March 2009, an audit for the Post-Secondary Education Program was released to the public with 14 recommendations to improve the program's management and an action plan for carrying them out. The audit is available online at http://www.ainc-inac.gc.ca/ai/arp/aev/pubs/au/psep/psep-eng.pdf. The recommendations fall into three broad categories: adequacy of funding; program management practices; and accountability. Over the upcoming months, an INAC–Assembly of First Nations joint working group will be established to address the issues noted in the audit.

In February 2009, the Audit and Evaluation Committee approved an evaluation and management action plan for First Nations SchoolNet (http://www.ainc-inac.gc.ca/ai/arp/aev/pubs/ev/fns/fns-eng.asp#exsum). The summative evaluation made five recommendations that emphasized using technology to support the educational outcomes of First Nation learners, economies of scale, integrating the program into broader education programming, and looking at and reporting on broader connectivity needs in First Nation communities. The action plan will guide the implementation of the recommendations.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/peo-eng.asp.*

Program Activity: Social Development

Supports the provision of: income assistance to meet basic needs for food, clothing and shelter to ensure the safety and well-being of individuals and families consistent with provincial programs and standards; First Nations child and family services to improve their well-being and security; assisted living for social support services of a non-medical nature such as in-home care, short term respite care, foster care and institutional care to improve their well-being and security; Family Violence Program to improve safety and security, particularly of women and children at-risk; National Child Benefit Re-investment to support low-income families with children to help prevent or reduce the depth of child poverty; and other social services to build capacity for First Nations to assume responsibility for, and jurisdiction over social development through policy development, program design and service delivery, to build self-reliant, sustainable, healthy and stable First Nation communities.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,491.5	1,628.3	1,624.0	608.5	608.0	(0.5)

Full-time equivalents and financial resources for Internal Services are attributed pro rata *based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to an increase for the attribution of Internal Services as well as the reallocation of resources, primarily from community infrastructure, to meet increased demand for social development programs and services. The difference between Total Authorities and Actual Spending primarily reflects a reduction related to the attribution of Internal Services.*

Performance Analysis

In 2008–2009, INAC continued to provide funding for the delivery of social services on reserves that aimed to support the safety and well-being of First Nation individuals and their families. In June 2008, INAC provided incremental funding for Enhanced Prevention-focused Approach Tripartite frameworks in Saskatchewan and Nova Scotia. These frameworks are designed to support, over the long term, decreased maintenance costs and reduced numbers of children in care. In addition, INAC continued working with its partners on projects leading to greater adoption of active programming measures and enabling more income assistance recipients to enhance their employability. INAC also provided support for pre-construction activities, such as environmental assessments and design, for the construction of five new proposed shelters in First Nation communities for the Family Violence Prevention Program, as announced in March 2008.

The Office of the Auditor General's May 2008 report covered the First Nations Child and Family Services Program in chapter 4 (http://www.oag-bvg.gc.ca/internet/English/parl_oag_200805_04_e_30700.html). The chapter contained 10 recommendations, including the need to ensure that services provided by INAC-funded child welfare agencies are delivered in accordance with provincial legislation and standards, improving the Department's ability to measure outcomes as well as the program's financial administration. INAC is working toward

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/peo-eng.asp.*

implementing the recommendations. INAC updated its authorities to include a broader range of services and increased the number of compliance reviews. As well, tripartite accountability frameworks with new costing methodologies have been established in three jurisdictions and work is under way to develop similar agreements in other provinces.

In 2009, INAC completed an evaluation of three social programs: the Income Assistance Program, National Child Benefit Reinvestment Initiative and Assisted Living Program. In response to evaluation recommendations, the Department developed a management response and action plan that includes a commitment to reform the Income Assistance Program by introducing improvements in such key areas as collaboration with federal, provincial and First Nation stakeholders; program management; and the range of services available to meet the needs of INAC's Income Assistance Program clients. The plan also outlines steps to strengthen regional management regimes for the National Child Benefit Reinvestment Initiative by improving reporting and updating performance measurement. In response to the evaluation recommendations and in collaboration with Health Canada, INAC is exploring options for better integration of federal home-based health and social services.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/peo-eng.asp.*

Strategic Outcome: The Land

The Land strategic outcome is sustainable use of land and resources by First Nations, Inuit and Northerners. Through this strategic outcome and its program activities — clarity of title, responsible federal stewardship, and First Nations governance over land, resources and the environment — INAC strives to clarify title and access to First Nation and Inuit lands; to support responsible federal stewardship of First Nation land, resources and the environment; and to provide opportunities for First Nation governance over land, resources and the environment.

The Land strategic outcome supports the Government of Canada's Strong Economic Growth and A Healthy Environment outcomes.

As demonstrated in the program activities performance analysis, INAC mostly delivered the results it set out to achieve in 2008–2009 for The Land strategic outcome.

Benefits to Canadians

The addition of land to reserves enables First Nations to strengthen the social and economic well-being of their communities, encourages investment and promotes development, both on First Nation lands and in surrounding communities. The success of urban reserves such as the Muskeg Lake Cree Nation Urban Reserve in Saskatchewan has encouraged some municipal governments to consider, and in fact embrace, urban reserve development as beneficial to both the First Nation and non-First Nation population. Clarity of title provides a means for Canadians to ensure that their government's constitutional and fiduciary obligations are upheld with respect to expropriated reserve lands. Title clarification ensures that legal interests in lands are administered in a manner that seeks to reduce the federal government's liability and provides First Nations with the means to participate actively in the Canadian economy.

Lessons Learned

To enable better delivery of programs in alignment with the Government of Canada priority of building new opportunities for Aboriginal economic development, The Land strategic outcome has made changes to better align its programs with the economic opportunities offered through improved federal stewardship over lands and resources, and First Nations' greater access to these lands and resources.

INAC learned lessons in developing Bill C-5, an *Act to Amend the Indian Oil and Gas Act* — the fourth piece of legislation adopted in the past four years that dealt with First Nation lands and natural resources. In this context where First Nations are closely engaged in the management of lands and resources, critical success factors included the joint participation of First Nation proponents in legislative drafting; obtaining consensus on a draft prior to consulting those more broadly affected; and clearly defining agreement on the scope of proposed legislation, including consensus on processes to deal with future improvements. Further work on this legislation will include joint outreach activities, with the Department focused on communications to affected First Nations and proponent First Nations focused on parliamentarians from all parties.

Program Activity: Clarity of Title to Land and Resources

This activity includes: additions to reserve; ensuring clarity of title to facilitate future land transactions through surveys, negotiated agreements; and implementing land transfers under specific and comprehensive claims.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
9.5	12.0	11.3	21.2	40.3	19.1

Full-time equivalents and financial resources for Internal Services are attributed pro rata *based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to additional funding requirements for additions to reserves (ATRs). The difference between Total Authorities and Actual Spending primarily reflects reprofiling to 2009–2010 of funding for the acquisition of land for ATRs.*

Performance Analysis

In 2008–2009, the Department added 93,888 hectares (232,000 acres) of land to reserves, 6.1 percent less than what was expected as a result of First Nations in Manitoba being asked to resolve third-party interests. In 2008–2009, INAC introduced a service standard of 100 business days to complete an ATR transaction on receipt at headquarters. The Department met and exceeded this standard, taking an average of 87.5 business days to complete 90 ATRs. The service standard provides assurance to all partners that files are being processed expeditiously and allows First Nations to better plan their related economic development ventures.

INAC also made progress toward assessing the impact of the Specific Claims Action Plan on ATRs, as well as on the review of its ATR Policy. This included preliminary discussions with the Assembly of First Nations concerning the scope of the ATR Policy review that will be conducted in 2009–2010 to implement the ATR-related provisions of the November 2007 Political Agreement between the Minister of Indian Affairs and Northern Development and the National Chief of the Assembly of First Nations in relation to Specific Claims Reform.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lan-eng.asp.*

Program Activity: Responsible Federal Stewardship

This activity includes: discharging federal responsibilities to First Nations, such as under the Indian Act *and the* Indian Oil and Gas Act *and associated regulations; discharging responsibilities and co-ordinating with other government departments with similar responsibilities, such as Environment Canada; remediating contaminated sites under federal jurisdiction; and collecting and managing Indian monies from land and resources activities.*

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
63.8	123.2	111.7	227.0	314.9	87.9

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to additional funding provided for contaminated sites and emergency management activities on reserves. The difference between Total Authorities and Actual Spending primarily reflects reduced spending for emergency management activities on reserve as well as reduced spending, primarily as a result of weather conditions, for assessment and remediation activities for the Federal Contaminated Sites Action Plan (FCSAP). FCSAP funding that was not required in 2008–2009 has been reprofiled to 2009–2010, when it will be available for the intended purpose.

Performance Analysis

In 2008–2009, INAC delivered its expected results, registering more than 12,500 transactions (e.g., leases, sub-leases, assignments, mortgages, transfers, orders in council and designations) in three separate registry systems, depending on the governing legislation: the Indian Lands Registry (ILR), the First Nation Lands Registry and the Self Governing First Nations Lands Registry. Historical data show an increase over the past seven years from under 10,000 transactions per year to about 12,500. Increased usage of the land registries helps First Nations develop operational capacity and furthers their ability to take on greater responsibility for land management decisions on reserves. The Department introduced and achieved a service standard of registering a transaction within 10 business days of receipt at headquarters. This service standard helps First Nations keep pace with the demands of legal professionals, financiers, developers, leaseholders and individual community members.

During the year, 5,055 individuals used the ILR, including 584 First Nations, First Nation representatives, regional land officers, legal professionals and other external stakeholders. Public accessibility and ease of access are important factors for establishing confidence in the land registries. To support effective management of land transactions and property interests on reserves, the Department met important milestones for the modernization of the ILR, bringing it close to completion. The replacement of the ILR with a new, modern technical architecture will resolve the technology risks and inherent instability of the current registry application, ensure every parcel of land in the registry is reviewed and correctly matched to source registry information, and make the system easier to operate and maintain. More than 2,000 hectares (4,940 acres) of land

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities *for 2008–2009, please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lan-eng.asp.*

were surveyed for designation purposes, while 127 hand-drawn surveys were converted to electronic formats. Survey data provide a basis for land use planning and making reserve lands more attractive for economic development purposes.

Twenty new First Nations land managers began training and 18 became certified under the Reserve Land and Environment Management Program, thereby building land, resource and environmental management capacity in First Nation communities to attract economic development to reserves. In 2008–2009, the Department assessed 14 percent of the previously identified suspected contaminated sites on reserve and reduced the contaminated sites liability rate by 13 percent for sites known as of April 1, 2008.

The Department collected over $250 million on behalf of First Nations as a result of oil and gas activities on reserve lands. Bill C-5, to modernize the *Indian Oil and Gas Act,* neared completion. The bill contains provisions to harmonize oil and gas operations on reserves with those of off-reserve lands, and to address legislative gaps. Developed with the Indian Resource Council, which advocates on behalf of oil and gas producing or potentially producing First Nations, the bill received Royal Assent May 14, 2009.

In September 2008 a summative evaluation of the Contaminated Sites Management Program was completed and an action plan developed to improve program funding mechanisms and strengthen performance reporting. The action plan commits the Program to conducting a program review of performance and management practices, and evaluating the merits of creating a new funding authority.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lan-eng.asp.*

Program Activity: First Nations Governance over Land, Resources and the Environment

This activity includes: supporting First Nations in the development of professional and institutional capacity, including working with emerging First Nations' institutions and professional associations; supporting the development of sectoral self-government options and agreements; and working with First Nations to implement such agreements, for instance working jointly with the Lands Advisory Board to implement the First Nations Land Management Act.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
33.9	34.8	17.5	55.2	23.2	(32.0)

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Total Authorities and Actual Spending primarily reflects a reduction related to the attribution of Internal Services.

Performance Analysis

The Department continued to support First Nations willing to pursue governance options outside the *Indian Act*, such as the First Nations Land Management regime and the *First Nations Oil and Gas and Moneys Management Act* (FNOGMMA).

Six First Nations held successful ratification votes under the First Nations Land Management regime; four of them became operational and two are in the process of doing so. First Nations that ratify their land codes assume complete control over their reserve lands and resources. While this number is up from 2007–2008, the Department did not meet its objective for expanding the regime due to the inability to proceed and/or to resolve legal issues. Furthermore, the regime does not currently accept new First Nations because of limited financial resources.

Several bands expressed interest in the monies part of FNOGMMA and two of those have expressed interest in the oil and gas part as well.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/lan-eng.asp.*

Strategic Outcome: The Economy

The Economy strategic outcome is increased participation of Aboriginal people and Northerners in the national economy. Through this strategic outcome and its program activities, INAC strives to support economic and employment opportunities for Aboriginal peoples, economic development and community infrastructure. Program activities focus on building economic and community foundations and a supportive investment climate to enable Aboriginal individuals, communities and businesses to seize economic opportunities.

The Economy strategic outcome supports the Government of Canada's Strong Economic Growth outcome.

As demonstrated in the program activities performance analysis, INAC partially delivered the results it set out to achieve in 2008–2009 for The Economy strategic outcome.

Benefits to Canadians

Opportunity-based and market-driven Aboriginal economic development supports the growth of viable Aboriginal businesses and jobs. Expanding Aboriginal entrepreneurship and increased Aboriginal employment both contribute to Aboriginal people's self-sufficiency, building stronger communities and supporting the growth of the national economy. INAC's support of First Nations' development and management of their infrastructure is vital to ensuring a well-planned and well-managed base of community infrastructure assets, which provide the foundation for First Nations' health, safety and successful economies.

Lessons Learned

Through a series of program evaluations and audits conducted during 2008–2009, the Department was able to assess the relevance, success and cost-effectiveness of its suite of economic development programs, identifying best practices and informing future programming. To address the challenges and structural limitations that emerged from these assessments, INAC has begun to redesign its economic development programs for 2010–2011, to seek alignment with new authorities for the 2010–2015 period. This work is part of a new Federal Framework for Aboriginal Economic Development and program renovation process. Based on lessons learned, the new suite builds on ways to support professional economic development capacity and drive partnerships in different sectors of the economy, including infrastructure.

The Major Resource and Energy Development Directorate was created within INAC's Aboriginal Business Development Program. In its first year of operation, the Directorate was able to provide approximately $5 million in contributions toward 14 community resource and energy projects across Canada. In addition, the tremendous demand generated for the announced Loan Loss Reserve and Major Resource and Energy Development Investments Initiative (approximately $40 million and $25 million respectively) quickly absorbed the $20 million made available by Budget 2008. This huge demand demonstrates the need for new methods of equity financing for larger Aboriginal business projects, and new ways for debt financing beyond the scope of Aboriginal financial institutions.

Program Activity: Economic and Employment Opportunities for Aboriginal People

Supports the expansion of economic and employment opportunities for Aboriginal peoples in both the public and private sectors. Supports and promotes goods and services contracting opportunities for Aboriginal businesses.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1.6	38.6	37.4	7.7	25.0	17.3

Full-time equivalents and financial resources for Internal Services are attributed pro rata *based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to funding for Olympic Legacy Agreements for the Musqueam and Tsleil-Waututh First Nations; this funding was included in Planned Spending under the Economic Development program activity.*

Performance Analysis

In 2008–2009, the Procurement Strategy for Aboriginal Business continued to support business growth and access to new markets by helping to increase Aboriginal businesses' participation in government procurement requirements.

INAC's Aboriginal Workforce Participation Initiative (AWPI) promotes Aboriginal employment by raising awareness of the benefits of hiring Aboriginal people. This is achieved through proactive employment policies from major employers for Aboriginal employees and by working with the corporate sector to break down barriers (real or imagined) that deter the employment of Aboriginal people; supporting recruitment, promotion and retention of Aboriginal employees; and information sharing and networking among stakeholders. In 2008–2009, under the AWPI, Aboriginal communities signed one partnership agreement in Saskatchewan. The yearly target of four partnership agreements was not met and this program is being redesigned to improve its effectiveness. AWPI also promotes Aboriginal employment through contribution funding. It provided 15 recipients with about $1.5 million in funding arrangements to support economic development initiatives related to the Vancouver 2010 Winter Games. This includes funding for Aboriginal procurement, for business development specialists to optimize opportunities for Aboriginal businesses using direct awards and limited competitive bids, and for enhancing or adopting Aboriginal procurement and employment practices. Funding has also been provided to the Olympic organizing committee, which is working with Aboriginal artists to develop product lines for sale before and during the Winter Games, construct a large-scale public art piece to be featured at a games venue, and create images for use on retail merchandise. The objective of supporting economic development initiatives related to the Winter Games was met.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/eco-eng.asp.*

Program Activity: Economic Development

Economic development programs facilitate economic development opportunities and the development/implementation of economic development strategies.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
225.7	220.8	170.0	274.6	198.3	(76.3)

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to an increase for the carry-forward from previous years of funding for loans and loan guarantees through the Indian Economic Development Account, a decrease related to funding for Olympic Legacy Agreements for the Musqueam and Tsleil-Waututh First Nations (reflected under the Economic and Employment Opportunities for Aboriginal People), as well as a reduction related to the attribution of Internal Services. The difference between Total Authorities and Actual Spending primarily reflects the carry-forward to future years of funding for loans and loan guarantees through the Indian Economic Development Account.

Performance Analysis

In 2008–2009, INAC strengthened First Nation and Inuit individual and institutional capacity. To support the effectiveness of community economic development organizations, the Community Economic Development Program invested $34.5 million in 517 community-based economic development organizations to support local decision making. INAC invested $13 million to help Aboriginal businesses access economic and business opportunities and $8.1 million in national and regional support services for building individual and institutional capacity. Examples include certification of community economic development officers, building strong community-based organization networks, and supporting research and advocacy initiatives. These investments supported the direct and indirect creation and expansion of First Nation and Inuit businesses and partnerships, as well strengthening collaboration between government and organizations representing First Nation, Inuit and Métis people. It should be noted, however, that commitments have been only partially met as some communities continue to have more capacity than others.

The Aboriginal Business Development Program (ABDP) made new strides in supporting viable individual and community businesses, while maximizing the participation of Aboriginal entrepreneurs in the Canadian economy. Funding for access to equity to support the establishment, expansion and acquisition of viable businesses and advisory services performed well in the last quarter, as $23.3 million in equity has been committed in support of 399 businesses, and another $5.1 million in advisory services in support of 498 businesses. ABDP's analysis of business performance in 2008 found that survival rates of businesses supported under Aboriginal Business Canada programming is 92.3 percent in their first year, which compares favourably to national survival rates for small and medium-sized businesses. In 2008–2009, $10.6 million was invested through the ABDP into the Aboriginal financial institution (AFI) network and its supporting organizations to assist these institutions in issuing 483 new business loans worth approximately $25.8 million and 549 existing loans worth about $51.1 million. Despite fluctuation in the prime lending rate in 2008–2009, the effective yield on the total AFI loan portfolio has

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/eco-eng.asp.*

remained relatively consistent at 7–9 percent over the most recent five-year period. This is an indicator of the overall self-sustainability of the entire network of 59 AFIs.

The Community Investments Branch participated in the summative evaluation of INAC's economic development programs, while continuing to deliver its programs and initiatives. The branch will use the results of this process to guide and inform future program changes in line with the new Federal Framework for Aboriginal Economic Development, which is available online at http://www.ainc-inac.gc.ca/ecd/ffaed1-eng.asp.

Program Activity: Community Infrastructure

Supports the provision of funding for the acquisition, construction, operation and maintenance of: community facilities such as roads, bridges, water and sewer, and administration offices; education facilities, such as schools and teacherages; remediation of contaminated sites on reserve; and on-reserve housing.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,169.5	1,226.5	1,187.3	532.6	599.5	66.9

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to increased funding provided for fuel price increases, as well as an increase related to the attribution of Internal Services offset by reallocations to address pressures in other program activities, notably education and social development programs and services. The difference between Total Authorities and Actual Spending primarily reflects reduced expenditures under the First Nation Infrastructure Fund (FNIF) because of the impact of the short construction season and weather in the implementation of projects, as well as a decrease related to the attribution of Internal Services. FNIF funding that was not required in 2008–2009 has been reprofiled to 2009–2010, when it will be available for the intended purpose.

Performance Analysis

In 2008–2009, INAC and Health Canada extended the First Nations Water and Wastewater Action Plan, providing an additional $330 million over two years to support First Nations in providing access to safe drinking water on reserves. The Department also developed new policy and standards for decentralized water and wastewater systems to be implemented in 2009. Canada's Economic Action Plan announced two-year targeted funding of $165 million for the completion of drinking water and wastewater infrastructure projects to address health and safety priorities in 18 First Nation communities across the country.

Between January 2008 and March 31, 2009, 14 trainers were hired to assist operators of water and wastewater treatment facilities. Moreover, INAC continued to make targeted investments in the construction, operation and maintenance of these facilities. Working with First Nations, the Department has succeeded in reducing the number of high-risk drinking water systems from 218 in 2003 to 77 in 2008, and to 48 as of March 31, 2009. Of the 21 priority communities identified in 2006 as having both high-risk systems and drinking water advisories, only four remained as of March 31, 2009, and action plans are in place for each of them.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/eco-eng.asp.*

Access to adequate housing remains a challenge for many First Nation communities. A total of 560 communities (approximately 95 percent) self-reported on housing conditions in 2008, with 72 percent of houses reported as adequate, a 1-percent decrease since 2007. This result is expected to improve with better data when the next housing reporting cycle is completed in the fall of 2009, and as new housing programs and policies come online in 2010.

In May 2008, the Canada Mortgage and Housing Corporation established the First Nations Market Housing Fund, with the goal of assisting First Nations in building 25,000 units over the next 10 years. According to the Housing Fund's annual report for 2008, three lenders have been qualified and one community has been approved for funding. INAC also drew on the Government of Canada's $1.4-million Special Initiatives Fund to develop eight innovative housing projects.

In 2008–2009, 264 projects were awarded $94.5 million from the First Nations Infrastructure Fund to invest in roads and bridges, energy systems, planning and skills development projects, and solid waste management. Six new schools were constructed, 16 school projects were completed, and another 64 school projects are ongoing, including the construction of 17 new schools, 10 of which are funded through Canada's Economic Action Plan.

In 2008, INAC introduced Integrated Capital Management System (ICMS), a web-enabled data management system to strengthen accountability and reduce the reporting burden for First Nations through improved data collection, management and reporting related to capital assets located on reserves. Phased implementation of ICMS is enabling INAC to make ongoing improvements, particularly to ensure that data collections are matched to actual data needs.

In 2008, an internal audit of INAC's Capital Facilities and Maintenance (CFM) Program identified opportunities to strengthen the program's management control framework, the management of major capital projects and the management of minor capital projects and O&M funding. In response, INAC amended the management control framework to allow funding to be targeted. The Department also began revising and updating its procedures manual, which will provide comprehensive national guidelines for all aspects of the CFM Program, along with revised guidelines for the categorization and project file documentation of major and minor capital projects.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/eco-eng.asp.*

Strategic Outcome: The Office of the Federal Interlocutor

The Office of the Federal Interlocutor strategic outcome is to improve socio-economic conditions of Métis, non-Status Indian and urban Aboriginal people to help them realize their full potential economically, socially and politically in Canadian society. Through this strategic outcome and its program activity, co-operative relationships, INAC strives to promote collaboration between governments and stakeholders to improve socio-economic conditions and opportunities.

The Office of the Federal Interlocutor strategic outcome supports the Government of Canada's A Diverse Society That Promotes Linguistic Duality and Social Inclusion outcome.

As demonstrated in the program activities performance analysis, INAC delivered the results it set out to achieve in 2008–2009 for The Office of the Federal Interlocutor strategic outcome.

Benefits to Canadians

Fifty-four percent of Aboriginal people in Canada now live in urban areas, and trends suggest this percentage may continue to rise. The Urban Aboriginal Strategy (UAS) helps urban Aboriginal people take advantage of economic opportunities in Canada's urban centres, strengthening Canada's economy as a whole. In addition, support for Métis membership systems will help the Crown realize its legal duty to consult rights-bearing Métis communities and help reconcile Métis Aboriginal rights with Canada's overall governance structure, and enshrine those rights as fundamental elements of a just, fair and respectful Canadian federation. The Office of the Federal Interlocutor (OFI) also works with willing partners to support Métis, non-Status Indian and urban Aboriginal people in realizing their full socio-economic potential within Canadian society, which in turn contributes to a stronger, more inclusive nation.

Lessons Learned

Given constitutional and jurisdictional issues, OFI has learned that partnerships between all levels of government, Métis, non-Status Indian and urban Aboriginal organizations, the private sector, and non-governmental organizations are crucial to meeting its strategic outcome. According to 2005 and 2006 evaluations, the UAS is effective in establishing partnerships with provinces, municipalities and the private sector; leveraging funding from partners; and improving horizontal co-ordination. Building on these findings, the strategy implemented a 50–50 cost-sharing requirement with provinces and municipalities, and elaborated horizontal terms and conditions that have increased federal co-ordination, and thus program alignment with provincial and municipal programming. A 2008 evaluation of contribution funding highlighted the need to help our funding recipients to become more accountable to their members and to government for the use of taxpayers' money. In relation to the Métis rights management program, a third-party evaluation of membership systems in 2008 found some gaps in the quality of the membership systems of the six organizations under review. In response, a directive letter was sent to these organizations requiring revised work plans and budget proposals. This evaluation now forms the basis for future work plans.

Program Activity: Co-operative Relations

Supports strengthening of effective interdepartmental and intergovernmental (federal/provincial/territorial/municipal) relations; pursue co-operative relations with Métis, non-Status, off-reserve and urban Aboriginal organizations to optimize the pursuit and attainment of shared objectives; proactive management of strategic issues related to Métis, non-Status Indians and urban Aboriginal people.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
29.0	43.2	43.1	68.0	75.6	7.6

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to incremental funding provided to support bilateral and tripartite processes and ongoing activities under the Beyond Powley initiative related to the management of Métis Aboriginal rights.

Performance Analysis

In 2008–2009, the Office strengthened co-operative relations with Métis, non-Status Indian and urban Aboriginal organizations, and the UAS project leveraged $2.13 for every dollar it invested. INAC's investment of over $10 million through the UAS leveraged over $22 million from other sources, for a total of over $33 million. The Strategy's major achievements in 2008–2009 included: community action plans detailing urban Aboriginal priorities; establishing Edmonton as the site for an off-reserve pathfinder project; the launch of the Federal–Provincial Network on Urban Aboriginal Issues; and the formation of the OFI research advisory circle.

OFI liaised with provincial governments to address Métis Aboriginal rights issues such as identification systems, enforcement approaches and harvesting regimes. INAC partnered with six provincial governments and yielded over $2.1 million in matched funding to address the needs of Métis and non-Status Indians in those provinces, resulting in, among other things, the development of action plans to address social and economic issues, as well as contributions to the development of a common approach to consultation and accommodation issues.

The Federal Interlocutor signed the Métis Nation Protocol with the Métis National Council, setting up a process to examine jurisdictional issues, residential schools, and veterans' and governance issues, among others. This signaled significant progress in the bilateral relationship, and federal engagement at the highest levels. OFI also worked collaboratively across government, with provincial governments and with non-governmental partners to improve the quality of education available to First Nation people living off a reserve, and to develop economic development strategies with Métis and non-Status Indian organizations and provinces. This built strong and accountable partnerships in relation to off-reserve Aboriginal education, ensured that the new economic development framework was inclusive of the goals and aspirations of Métis and non-Status Indians, and supported their organizations in building capacity to further the participation of Métis and non-Status Indians in the Canadian economy.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/ofi-eng.asp.*

The North

Activities under the Northern Program support four strategic outcomes: The Government, The People, The Land, and The Economy. These activities focus on effective governance institutions, co-operative relationships with the Government of Canada, support for the creation and endurance of healthy northern communities, northern land and resources, and the northern economy. (The North is reported on separately to facilitate an overview of the Department's performance in this area.)

The North strategic outcome supports the Government of Canada's A Diverse Society That Promotes Linguistic Duality and Social Inclusion, Healthy Canadians and Strong Economic Growth outcomes.

As demonstrated in the program activities performance analysis, INAC delivered the results it set out to achieve in 2008–2009 for The North.

Benefits for Canadians

Northerners and all Canadians benefit from INAC's leadership in advancing northern initiatives, including the progress on sound political and environmental stewardship, promotion of economic growth, representation of Canada's circumpolar interests, and expansion of scientific knowledge about the North. The Department's work to promote the four pillars of the Northern Strategy — strengthening Canadian sovereignty, protecting the environment, promoting economic and social development, and improving northern governance — helps to advance quality of life initiatives that support the health and well-being of individuals, communities and the environment, and ensure a more sustainable, prosperous future for Northerners and Canada as a whole.

Lessons Learned

The advance of INAC's northern policy initiatives throughout 2008–2009 demonstrated the crucial importance of maintaining effective, productive relationships with all relevant stakeholders to achieve efficient program delivery that is well co-ordinated. Effective relationship management was particularly relevant in: the formulation of the Northern Strategy; preparations for the International Polar Year; the representation of Canadian circumpolar interests in national and international contexts; the sharing of international findings concerning contaminants and Arctic research; negotiations regarding the expansion of the boundaries of the Nahanni National Park Reserve; and the development of the northern economy in co-operation with private industry and local business. Such collaboration will continue to guide the Department in future efficient program delivery in the North, and will be even more critical in light of the impact of the economic downturn that began in late 2008.

For more information on the Northern Program, please visit: http://www.ainc-inac.gc.ca/nth/index-eng.asp.

Program Activity: Northern Governance

This program activity operates under The Government strategic outcome.

Supports strengthening northern governments through devolution of province-like responsibilities, effective intergovernmental mechanisms and management of strategic issues, as well as strengthened intergovernmental co-operation internationally on circumpolar issues.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
14.4	13.7	8.6	47.4	30.5	(16.9)

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Total Authorities and Actual Spending primarily reflects the cash flow for strengthening the Government of Nunavut's financial management capacity and systems as per the terms of a multi-year contribution agreement with that government. Funding that was not required in 2008–2009 has been reprofiled to 2009–2010 and future years, when it will be required.

Performance Analysis

During 2008–2009, INAC continued its ongoing support of the negotiations for devolution of provincial-like responsibilities to the governments of Northwest Territories (NWT) and Nunavut. In NWT, negotiations for completing a devolution agreement-in-principle were advanced but not yet finalized. In August 2008, Premier Roland proposed a new framework to advance devolution and other economic development priorities. The parties discussed how this new framework could shape a broader vision for governance with linkages to other federal priorities such as regulatory improvement and the creation of an economic development agency for the North. In Nunavut, the Minister of Indian Affairs and Northern Development signed a Devolution Negotiation Protocol with the Government of Nunavut and Nunavut Tunngavik Incorporated in September 2008 and announced the appointment of the Chief Federal Representative for Nunavut devolution. INAC and the Government of Nunavut also signed an agreement whereby the Government of Canada began investing $21.6 million over five years to help strengthen the Government of Nunavut's financial and networking capacity. In both NWT and Nunavut, INAC's work in advancing devolution is supporting the development of strong and autonomous northern governments.

Throughout 2008–2009, INAC was also actively involved in representing Canada's circumpolar interests and relations at home and abroad in various projects and forums, including the Arctic Council and the Circumpolar Chamber of Commerce Initiative. The Department co ordinated a series of meetings with government and external partners to examine Canada's priority Arctic Council activities.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/nor-eng.asp.*

Program Activity: Healthy Northern Communities

This program activity operates under The People strategic outcome.

Supports improvements in the health and well-being of Northerners through grants for hospital and physician services for Indian and Inuit residents in the Northwest Territories and Nunavut, the transportation of nutritious perishable foods and other essential items to isolated northern communities at reduced rates, the conduct of research into the sources and effects of contaminants on the Arctic food chain and initiatives to assist Northerners deal with broad issues such as the impacts of climate change.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
109.6	133.0	130.4	66.0	70.1	4.1

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to the provision of additional funding to address increased costs of the Food Mail Program to deliver healthy foods to isolated communities. The difference between Total Authorities and Actual Spending primarily reflects implementation activities for International Polar Year, which was launched later than anticipated in 2007–2008; this affected the timelines for the implementation of the programs, including the funding and processing for a number of program activities. Funding that was not required in 2008–2009 has been reprofiled to 2009–2010 and future years, when it will be available for the intended purpose.

Performance Analysis

During 2008–2009, the Department supported the long-term health of northern residents and their communities through various agreements and programs. Grant agreements for hospital and physician services were signed again this year with the governments of Nunavut and NWT. This program reimburses both territorial governments for a portion of their costs for providing hospital and physician services to First Nation and Inuit residents of their respective territory. In addition, through its Food Mail Program, INAC continued to help improve access to more affordable healthy food in isolated northern communities. Throughout 2008–2009, the Food Mail Program subsidized the shipment of 19.9 million kilograms of nutritious food and other essential items to Northerners — a 12.2-percent increase in shipments over 2007–2008. To maintain the program's effectiveness while responding to anticipated challenges, INAC continued with a comprehensive review resulting in the release of two reports (see box). INAC will then engage with stakeholders resulting in the completion of the review. A final report for the government's consideration will be completed for the fall of 2009.

INAC published two reports in its ongoing efforts to improve the *Food Mail Program: Food Mail Program Review — Findings and Recommendations of the Minister's Special Representative* (http://www.ainc-inac.gc.ca/nth/fon/rpt-eng.asp) and the *Indian and Northern Affairs Canada Devolution and Territorial Relations Branch: Food Mail Review — Interim Report* (http://www.ainc-inac.gc.ca/ nth/fon/fwd-eng.asp).

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/nor-eng.asp.*

INAC's Northern Contaminants Program (NCP) advanced work on monitoring and reducing contaminants in the environment, including traditional foods. The NCP represents Canada's contribution to the Arctic Council's circumpolar Arctic Monitoring and Assessment Program, and is a key Canadian component of the Global Monitoring Plan under the United Nations Environment Program Stockholm Convention on Persistent Organic Pollutants. The NCP continued to serve as a model approach internationally and domestically.

To further the northern science training essential to building the next generation of northern specialists, in 2008–2009 INAC's Northern Scientific Training Program supported 445 student applicants from 36 universities, a $1-million investment. The Government of Canada also contributed to the international polar research agenda through International Polar Year training, which provided funding for 34 training, communications and outreach projects. Canada's International Polar Year investment has mobilized 1,400 investigators in 67 northern communities. As well, nearly 700 students and new researchers of all levels were engaged in these activities that, throughout 2008–2009, supported the advance of northern scientific knowledge.

Program Activity: Northern Land and Resources

This program activity operates under The Land strategic outcome.

Supports the sustainable development of the North's natural resources, emphasizing improved environmental management and stewardship, including the clean-up of contaminated sites, expanding the knowledge base for sound decision-making and improving the effectiveness of the northern regulatory environment.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
192.5	191.6	177.1	422.9	410.6	(12.3)

Full-time equivalents and financial resources for Internal Services are attributed pro rata based on total financial resources. The difference between Total Authorities and Actual Spending primarily reflects reduced spending, as a result of weather conditions and the availability of labour and equipment, for assessment and remediation activities for the Federal Contaminated Sites Action Plan (FCSAP), as well as a decrease related to the attribution of Internal Services. FCSAP funding that was not required in 2008–2009 has been reprofiled to 2009–2010, when it will be available for the intended purpose.

Performance Analysis

The responsible economic development of natural resources and the protection of the environment and human health and environmental safety remained a top priority for INAC in 2008–2009. To this end, the Department made considerable progress on the clean-up of contaminated sites, with 22 detailed work plans completed for projects under remediation, and five sites totally remediated. In addition, conditional approval from Treasury Board was granted for remediation of Giant Mine in the Northwest Territories. These INAC-led initiatives provided employment to approximately 400 Aboriginal people, a central departmental goal. INAC also made progress in the

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/nor-eng.asp.*

development of an efficient and sustainable regulatory system for the North. With respect to the northern regulatory system, Ministerial Special Representative Neil McCrank completed his report in May 2008. Following release of his report, *Road to Improvement* (http://epe.lac-bac.gc.ca/100/200/301/inac-ainc/road_improvement-e/ri08-eng.pdf), Mr. McCrank shared his findings with partners and stakeholders in the North and other parts of Canada. INAC took the findings from the report, and feedback from partners and stakeholders, and began the development of an action plan to improve the regulatory system in the territories. The Department's continued support for the advancement of the Mackenzie Gas Project included planning for effective regulatory processes. In the area of environmental stewardship, INAC designated three sites under the Protected Areas Strategy and made progress in identifying remaining national wildlife areas.

An evaluation of INAC's contaminated sites management policy and programming, completed in September 2008, concluded that such policy and programming remain highly relevant and cost-effective. The Northern Contaminated Sites Program has emerged as a leader within the federal government and internationally for its level of expertise regarding project management and remediation in a northern environment.

Under Canada's Economic Action Plan (http://www.actionplan.gc.ca/eng/index.asp), INAC was able to increase northern science research capacity through new funding for Arctic research infrastructure and the feasibility study for the new High Arctic Research Station. The Department supported responsible northern economic development in various ways, including the issuance of six petroleum exploration licences, with blocks in the Beaufort Sea, the Mackenzie Delta and the central Mackenzie Valley, and the approval of 10 benefit plans for oil and gas exploration activities. One offshore block went for an unprecedented bid of $1.2 billion in proposed work expenditures, which will generate northern economic opportunities. Effective regulation of exploration activities will be informed by new science from research funded in part by industry through levies on exploration licences. Mineral exploration expenditures in 2008 were $530 million. However, after the drop in commodity prices in late 2008, expenditures for 2009 are forecast to plunge 60 percent to $222 million. The issuance of 426 prospecting permits and the approval of 60 mineral leases were also evidence of continued activity in natural resource development. INAC has also assumed responsibility for the care and control of Tahera's Jericho diamond mine, which is currently inactive.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/nor-eng.asp.*

Program Activity: Northern Economy

This program activity operates under The Economy strategic outcome.

Supports sustainable economic growth of the territorial economies through investments in innovation and knowledge and regional development programming, advocacy and activities, which lead to Northerners participating and benefiting from resource development.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
24.5	40.7	26.1	29.1	22.8	(6.3)

Full-time equivalents and financial resources for Internal Services are attributed pro rata *based on total financial resources. The difference between Planned Spending and Total Authorities relates primarily to the carry-forward from previous years of funding for various loan authorities. The difference between Total Authorities and Actual Spending primarily reflects the carry-forward to future years of funding for these loan authorities.*

Performance Analysis

Throughout 2008–2009, INAC continued to promote the growth of the northern economy to the benefit of individuals and communities in the North, and all Canadians. The first round of external consultations under the Strategic Investments in Northern Economic Development (SINED) program confirmed its success. SINED allocated 100 percent of its funding dollars to projects or contribution agreements; these allocations, administered by INAC, ensured the investment of $19.3 million in the development of the northern economy. The direct results of these SINED investments include the expanded participation of Northerners in the economy, access to capital and advice for local businesses, and the diversification of the northern economy. The Department secured the renewal of the SINED program in 2008–2009, thereby enabling investment of $90 million in the northern economy over the next five years.

In September 2008, the Audit and Evaluation Committee approved the final report and action plan for the formative evaluation of the SINED program (http://www.ainc-inac.gc.ca/ai/arp/aev/pubs/ev/sined/sined-eng.pdf). The evaluation made six recommendations, the most significant relating to the need for better performance measurement information. Other recommendations called for the exploration of options to allow for greater flexibility and strategic investment in multi-year funding activities, as well as continued work with other stakeholders engaged in northern economic development. The evaluation informed the renewal of the program and the development of a first draft of a new performance measurement study.

In 2008–2009, INAC helped lay the groundwork for the creation of a new northern economic development agency, a major achievement. The Department helped develop and partially staff the agency, and confirmed the funding of specific programs. The agency will assume responsibility for much of the economic development programming in the North once it becomes operational in 2009–2010.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/nor-eng.asp.*

Internal Services

Benefits for Canadians

The Internal Services portfolio contributes to the achievement of all INAC strategic outcomes. It generates benefits for all Canadians by enhancing strategic policy development for Aboriginal and northern issues, complying with Government of Canada policies, and effectively delivering required support services to the various departmental programs.

Performance Analysis

In 2008–2009, INAC made significant strides with respect to advancing government–wide Aboriginal and Northern policy initiatives. To increase visibility and improve co-ordination of the horizontal Aboriginal portfolio, several new interdepartmental committees and networks were established in 2008–2009. These included the Network of Assistant Deputy Ministers (ADM) on Aboriginal Affairs and the Federal Aboriginal Speakers Series.

Corporate Services largely achieved its key milestones and targets. Human Resources and Workplace Services Branch achieved a high completion rate for its employee performance management reports (87 percent vs. a target of 90 percent) and learning plans (92 percent vs. a target of 90 percent), and established new programs, including a language training program for Aboriginal employees and a three-year Employment Equity Plan. The branch also established a new occupational safety and health policy committee, and put in place resourcing strategies for recruitment of Northerners, Aboriginal people and critical occupational groups. The Information Management Branch was also successful in implementing its new governance structure, and the Planning and Resource Management Branch completed the implementation of its new resource planning process. The Corporate Secretariat was able to provide the required services within its Centre for Integrity, Values and Conflict Resolution.

Audit and evaluation services strengthened the performance measurement regime by: establishing an approach and framework, as well as guidance documents and support tools for the development and implementation of performance measurement strategies across INAC programs; integrating and aligning requirements for performance measurement strategies with the five-year evaluation plan; and co-sponsoring "Measuring What Matters" meetings and workshops to advance the work for developing the highest-level departmental indicators. The Audit and Assurance Services Branch (AASB) provides independent advice through assurance activities, to INAC's operations and programs to assist them in meeting their strategic objectives. A three-year risk-based audit plan outlines a strong audit regime that contributes to effective risk management, sound resource stewardship and good governance in the delivery of INAC's programs and in the performance of its corporate activities. The Assessment and Investigation Services Branch has been enhanced to resolve allegations of wrongdoing and manage forensic audits.

Lessons Learned

The benefits of strengthening horizontal linkages with other departments and the continued development of an integrated plan were clearly demonstrated in 2008–2009. As in previous years, capacity issues in key professional areas continued to be a challenge, indicating the need for the development of more active and departmentally co ordinated recruitment strategies.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/is-eng.asp.*

Allocation Methodology for Internal Services

Within the government planning and budgeting process, financial and human resources for Internal Services are not identified separately. Full-time equivalents and financial resources for Internal Services are attributed to strategic outcomes *pro rata* based on total financial resources. This presents a challenge for INAC to provide a useful presentation of resources, given that, to meet its objectives and mandate, INAC is primarily in the business of transferring funds to third parties for the delivery of programs and services. As such, it has to ensure the proper administration of these transfers, undertake monitoring and accountability activities, and provide policy advice and other services (e.g., litigation management). It should be noted, however, that the proportion of INAC's total budget allocated to Internal Services amounts to about 5 percent, which is comparable to other departments.

In June 2008, the Audit and Evaluation Committee approved the evaluation and action plan for the implementation of INAC's Gender-based Analysis Policy (http://www.ainc-inac.gc.ca/ai/arp/aev/pubs/ev/gba/gba-eng.asp#s51). To further this internal policy's implementation, measurement and impacts, recommendations included introducing a risk-based implementation approach; revising the policy's governance and financing structures; strengthening training and outreach; and developing a performance measurement strategy. The action plan provides guidance for the implementation of these recommendations.

Canadian Polar Commission

This program activity operates under the Increased Polar Knowledge strategic outcome.

Research facilitation and communication.

2008–2009 Financial Resources ($ millions)			2008–2009 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1.0	1.0	1.0	5.0	5.0	—

Performance Analysis

The Polar Commission published the report of its two-year consultation on northern research infrastructure. The report, *Beacons of the North: Research Infrastructure in Canada's Arctic and Subarctic*, presents an analysis of the current status of research infrastructure and current and future needs, and recommends that a pan-northern network of research infrastructure be established. Moreover, several developments in 2008–2009 demonstrated that the Commission has succeeded in communicating to government some of the recommendations of the broad polar research community in the crucial area of infrastructure. These developments include consideration of a hub-and-spoke model in plans for the federal government High Arctic Research Station, and the funding allocated in the Canada's Economic Action Plan for northern research infrastructure.

The Commission worked with such organizations as the International Arctic Science Committee and the Scientific Committee on Antarctic Research to support workshops and meetings dealing with national and international collaboration and co-operation.

In addition, the Commission maintained the Canadian Polar Information Network (CPIN), adding to it a new interactive map of northern research installations. Action was also taken to address software difficulties, which affected some components of CPIN and somewhat hampered its operation in 2008–2009.

The Commission's science publications, *Meridian* and the *Newsletter for the Canadian Antarctic Research Network*, continued to be well received. Two issues of each were published in 2008–2009, both on time and on budget. *Meridian* articles were referenced several times during the year in articles in other publications.

Benefits for Canadians

Increased polar knowledge will enable Canadians to address urgent issues, now and in the near future, in the areas of climate change, the environment, health and social stability, economic development, sovereignty and security. Excellent research is necessary to help Northerners and all Canadians adapt to changes today and tomorrow, and for politicians and decision makers to be able to make informed and responsible choices.

For detailed reporting against expected results provided in INAC's Report on Plans and Priorities for 2008–2009, *please visit http://www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/cpc-eng.asp.*

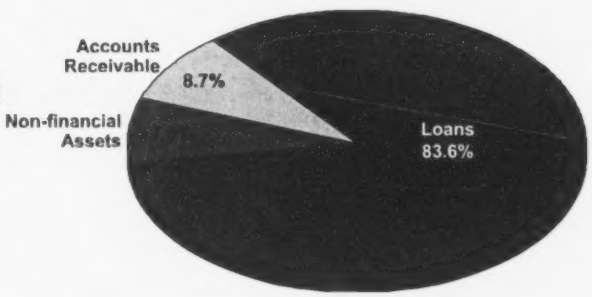
Section III
Supplementary Information

Financial Highlights

	% Variance	($ thousands) 2009	2008
At end of Year (March 31) — Condensed Statement of Financial Position			
Total Assets	+2%	931,432	909,619
Total Liabilities	+12%	14,781,462	13,177,012
Total Equity	-13%	(13,850,030)	(12,267,393)
Total	**+2%**	**931,432**	**909,619**
For the Year (Ended March 31) — Condensed Statement of Operations			
Total Expenses	+10%	7,380,656	6,730,174
Total Revenues	+14%	284,981	249,115
Net cost of operations	**+9%**	**7,095,675**	**6,481,059**

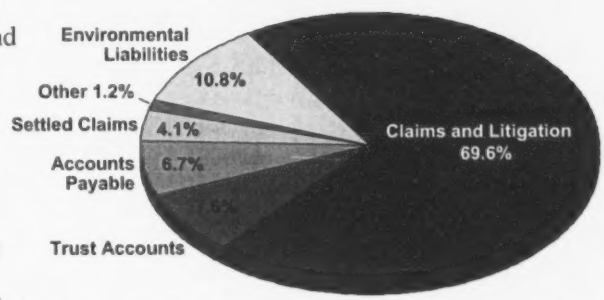
Assets by Type

Total assets were $931 million at the end of 2008–2009, an increase of $22 million (2.4 percent) over the previous year's total assets of $910 million. Loans made up 83.6 percent of total assets at $778 million. Accounts receivable of $81 million represented 8.7 percent of total assets, while non-financial assets of $73 million represented approximately 7.8 percent of total assets.

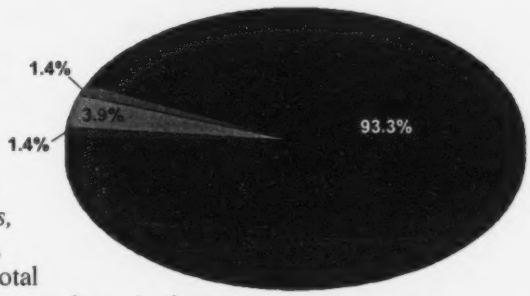


Liability by Type

Total liabilities were $14.8 billion at the end of 2008–2009, an increase of $1.6 billion (12.1 percent) over the previous year's total liabilities of $13.2 billion. The allowance for claims and litigation represents the largest portion of liabilities at $10.3 billion or 69.6 percent of total liabilities. Other significant liabilities include environmental liabilities of $1.6 billion (10.8 percent), trust accounts of $1.1 billion (7.6 percent), accounts payable of $988 million (6.7 percent), and settled claims in the amount of $608 million (4.1 percent).

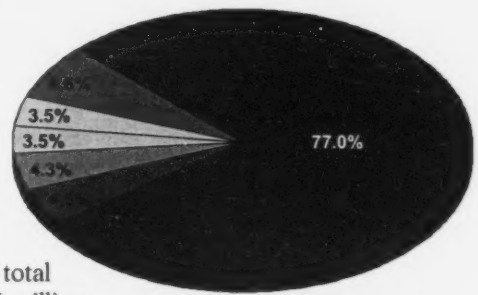


Revenues



Total revenues amounted to $285 million for 2008–2009, representing a 14-percent increase over the previous year's revenue of $249 million. Resource royalties, earned pursuant to contracts or regulations such as the *Northwest Territories and Nunavut Mining Regulations* and the *Frontier Lands Petroleum Royalty Regulations*, represent the most significant source of revenue, accounting for $266 million or 93.3 percent of total revenues. Other sources of revenue include interest on loans in the amount of $11 million (3.9 percent), leases and rentals revenue of $4 million (1.4 percent) and miscellaneous receipts of $4 million (1.4 percent).

Expenses



Total expenses were $7.4 billion in 2008–2009, representing a 10.4-percent increase over the previous year's expenses of $6.7 billion. Transfer payments, the majority to Aboriginal people and Aboriginal organizations, amounted to $5.7 billion or 77.0 percent of total expenses. Salaries and employee benefits totalled $489 million, accounting for 6.6 percent of total expense, while professional services of $335 million accounted for 4.5 percent of total expenses, court awards and other settlements of $316 million accounted for 4.3 percent, and claims and litigation of $261 million accounted 3.5 percent. Other miscellaneous operating expenses of $260 million accounted for the remaining 3.5 percent of total expenses.

List of Tables

The following tables are located on the Treasury Board Secretariat website: http://www.tbs-sct.gc.ca/dpr-rmr/2008-2009/index-eng.asp.

Sources of Non-Respendable Revenue
User Fees/External Fees
Details on Transfer Payment Programs (TPPs)
Sustainable Development Strategy
Response to Parliamentary Committees and External Audits
Internal Audits and Evaluations
Green Procurement

Horizontal Initiatives

Urban Aboriginal Strategy
First Nations Water and Wastewater Action Plan
Labrador Innu Comprehensive Healing Strategy
International Polar Year
Indian Residential Schools Resolution Health Support Program

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